



Claire McCaskill

Missouri State Auditor

March 2005

Mississippi County, Missouri

Years Ended

December 31, 2003 and 2002



Office Of The
State Auditor Of Missouri
Claire McCaskill

March 2005

IMPORTANT: The Missouri State Auditor is required by Missouri law to conduct audits only once every four years in counties, like Mississippi, which do not have a county auditor. However, to assist such counties in meeting federal audit requirements, the State Auditor will also provide a financial and compliance audit of various county operating funds every two years. This voluntary service to Missouri counties can only be provided when state auditing resources are available and it does not interfere with the State Auditor's constitutional responsibility of auditing state government.

Once every four years, the State Auditor's statutory audit will cover additional areas of county operations, as well as the elected county officials, as required by Missouri's Constitution.

This audit of Mississippi County included additional areas of county operations, as well as the elected county officials. The following concerns were noted as part of the audit:

- Inadequate controls and record keeping resulted in a shortage of approximately \$40,925 in the Sheriff's Commissary Account. In addition, it appears monies from commissary and phones sales were not deposited, or the commissary was operating at a significant loss. Additional monies may also be missing, however, amounts were not determined due to inadequate records.
- Phone sales commissions of \$22,857 were due to the county and \$13,335 were due to the phone company at December 31, 2004 from the Sheriff's Commissary account. Prenumbered receipt slips were not issued for the monies received for phone sales, monies were not deposited timely, there was no documentation of the transfer of phone monies between the various jail employees, or of reconciliations to phone sale reports, and commissions were not paid to the county on a timely basis.
- The Detention Center does not have a system for tracking the profit or loss from the sale of commissary items or for recording sales. During the three years ended December 31, 2004, \$67,509 of commissary proceeds was used to replenish the inventory and \$12,696 was used for miscellaneous jail costs (internet services, film, medical supplies, a television, cigarettes, travel expenses, etc.). The Detention Center does not maintain a running inventory (perpetual inventory) of items purchased from vendors, sold to inmates, and inventory balances.

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YELLOW SHEET

- Bond records maintained by the Detention Center were not adequate to allow the disposition of the bond to be readily determined. The bond receipt slips did not clearly indicate the entity for which the bond was collected or the disposition of the bond. Bond forms were not used by the Detention Center for some bonds. There was no oversight or adequate segregation of duties over bonds.
- The Inmate bank account was not reconciled with the individual inmate balances, the transmittal of monies between the mail clerk and the account custodian was not clearly documented, there was no documentation to support three checks payable to the Jail Administrator totaling \$1,347 and the monies were disbursed to inmates in cash rather than by check.
- The Detention Center spent excessive amounts of overtime costs on prisoner transportation services that were not recouped through their contracts for board of prisoners, accurate timesheets were not reported to the county, payroll duties were not adequately segregated, and overtime compensation was not paid according to policy.
- The Circuit Clerk's office cannot properly account for approximately \$1,586 in bonds, duties are not adequately segregated, and the Circuit Clerk does not have adequate procedures to monitor and ensure monies in her bank accounts are sufficiently collateralized.
- Accounting and bookkeeping duties were not adequately segregated, an adequate system to account for all bad checks received by the Prosecuting Attorney's office as well as the subsequent disposition of those bad checks had not been established, bad check complaints and payments were not processed in a timely manner, and receipts were not deposited on a timely basis.
- The Health Center has not established adequate procedures to ensure bank accounts are sufficiently collateralized. In addition, accounting duties are not adequately segregated, deposits are not made timely, and employee leave balances are not adequately monitored.
- The SB40 Board has accumulated a significant cash reserve which is not properly reflected on their annual budget. The SB40 Board does not reflect their certificates of deposit on their budget, which understated their cash balance by \$1,074,989 and \$923,818 for the years ended December 31, 2003 and 2002, respectively. In addition, the budget does not indicate the Board's plans for this balance. The SB40 Board does not maintain minutes of their board meetings, and adequate records were not kept on investments held by the board.

The audit also included recommendations related to sales tax, schedule of federal awards, capital assets, statutory salaries, and ticket accountability. Additional recommendations were made to improve the Detention Center, Recorder of Deeds, and Collector.

All reports are available on our website: www.auditor.mo.gov

MISSISSIPPI COUNTY, MISSOURI

TABLE OF CONTENTS

Page

FINANCIAL SECTION

State Auditor's Reports: 2-6

Financial Statements and Supplementary Schedule of Expenditures
of Federal Awards 3-4

Compliance and Internal Control Over Financial Reporting Based on
an Audit of Financial Statements Performed in Accordance With
Government Auditing Standards 5-6

Financial Statements: 7-21

Exhibit

Description

A-1

Statement of Receipts, Disbursements, and
Changes in Cash - Various Funds
Year Ended December 31, 2003 8

A-2

Year Ended December 31, 2002 9

B

Comparative Statement of Receipts, Disbursements,
and Changes in Cash - Budget and Actual - Various Funds,
Years Ended December 31, 2003 and 2002 10-21

Notes to the Financial Statements 22-25

Supplementary Schedule: 26-29

Schedule of Expenditures of Federal Awards, Years Ended
December 31, 2003 and 2002 27-29

Notes to the Supplementary Schedule 30-32

FEDERAL AWARDS - SINGLE AUDIT SECTION

State Auditor's Report: 34-36

Compliance With Requirements Applicable to Each Major Program and
Internal Control Over Compliance in Accordance With OMB Circular A-133 35-36

Schedule: 37-42

Schedule of Findings and Questioned Costs (Including Management's
Plan for Corrective Action), Years Ended December 31, 2003 and 2002 38-42

MISSISSIPPI COUNTY, MISSOURI

TABLE OF CONTENTS

	<u>Page</u>
<u>FEDERAL AWARDS - SINGLE AUDIT SECTION</u>	
Section I - Summary of Auditor's Results	38
Section II - Financial Statement Findings	39
<u>Number</u>	<u>Description</u>
03-1.	Sales Tax.....
	39
Section III - Federal Award Findings and Questioned Costs	40
03-2.	Schedule of Federal Awards
	40
Follow-Up on Prior Audit Findings for an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	43-44
Summary Schedule of Prior Audit Findings in Accordance With OMB Circular A-133	45-46
<u>MANAGEMENT ADVISORY REPORT SECTION</u>	
Management Advisory Report - State Auditor's Findings	48-73
1.	Capital Assets.....
	50
2.	Statutory Salaries
	51
3.	Sheriff's Commissary Account.....
	51
4.	Detention Center's Accounting Controls and Procedures
	59
5.	Sheriff's Inmate Account.....
	59
6.	Detention Center Payroll.....
	61
7.	Circuit Clerk's Accounting Controls and Procedures
	63
8.	Ticket Accountability.....
	65
9.	Prosecuting Attorney Accounting Controls and Procedures.....
	66
10.	Recorder of Deeds Accounting Controls and Procedures.....
	68
11.	Collector's Accounting Controls and Procedures.....
	69
12.	Health Center
	70
13.	Senate Bill 40 Board
	72
Follow-Up on Prior Audit Findings.....	74-79
<u>STATISTICAL SECTION</u>	
History, Organization, and Statistical Information	81-85

FINANCIAL SECTION

State Auditor's Reports



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL
STATEMENTS AND SUPPLEMENTARY SCHEDULE OF
EXPENDITURES OF FEDERAL AWARDS**

To the County Commission
and
Officeholders of Mississippi County, Missouri

We have audited the accompanying Statements of Receipts, Disbursements, and Changes in Cash - Various Funds and Comparative Statement of Receipts, Disbursements, and Changes in Cash - Budget and Actual - Various Funds of Mississippi County, Missouri, as of and for the years ended December 31, 2003 and 2002. These financial statements are the responsibility of the county's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1 to the financial statements, these financial statements were prepared on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the receipts, disbursements, and changes in cash of various funds of Mississippi County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county as of and for the years ended December 31, 2003 and 2002, on the basis of accounting discussed in Note 1.

In accordance with *Government Auditing Standards*, we also have issued our report dated July 8, 2004, on our consideration of the county's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements, taken as a whole, that are referred to in the first paragraph. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

The accompanying History, Organization, and Statistical Information is presented for informational purposes. This information was obtained from the management of Mississippi County, Missouri, and was not subjected to the auditing procedures applied in the audit of the financial statements referred to above. Accordingly, we express no opinion on the information.



Claire McCaskill
State Auditor

July 8, 2004 (fieldwork completion date)

The following auditors participated in the preparation of this report:

Director of Audits:	Tom J. Kremer, CPA
Audit Manager:	Debra S. Lewis, CPA
In-Charge Auditor:	Monique Williams, CPA
Audit Staff:	Kate Petschonek
	Chris Vetter
	Kay Breeze



CLAIRE C. McCASKILL
Missouri State Auditor

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the County Commission
and
Officeholders of Mississippi County, Missouri

We have audited the financial statements of various funds of Mississippi County, Missouri, as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated July 8, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the financial statements of various funds of Mississippi County, Missouri, are free of material misstatement, we performed tests of the county's compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying Schedule of Findings and Questioned Costs as finding number 03-1. We also noted certain immaterial instances of noncompliance which are described in the accompanying Management Advisory Report.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements of various funds of Mississippi County, Missouri, we considered the county's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting.

Our consideration of the internal control over financial reporting would not necessarily disclose matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting which are described in the accompanying Management Advisory Report.

This report is intended for the information and use of the management of Mississippi County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo 2000, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink, reading "Claire McCaskill". The signature is fluid and cursive, with the first name "Claire" and last name "McCaskill" clearly distinguishable.

Claire McCaskill
State Auditor

July 8, 2004(fieldwork completion date)

Financial Statements

Exhibit A-1

MISSISSIPPI COUNTY, MISSOURI
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
 YEAR ENDED DECEMBER 31, 2003

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 689,021	1,646,716	1,657,654	678,083
Special Road and Bridge	142,530	899,890	910,027	132,393
Assessment	21	155,101	154,181	941
Law Enforcement Training	3,648	4,732	5,558	2,822
Prosecuting Attorney Training	932	795	1,622	105
Johnson Grass	10,016	56,013	45,960	20,069
Law Enforcement Sales Tax	28,141	2,251,141	2,271,023	8,259
Law Enforcement Block Grant	1,204	1,693	2,897	0
Capital Improvement Sales Tax	708	857	0	1,565
Recorder's User Fee	7,721	5,582	8,072	5,231
Recorder Technology	4,174	3,630	0	7,804
Victims of Domestic Violence	732	3,402	3,668	466
Emergency 911	108,598	77,904	32,247	154,255
Contingency Fund	50,090	966	0	51,056
Drug Court Grant	59,355	164,727	81,335	142,747
Cultural Productivity Grant	0	55,856	55,856	0
Juvenile Justice Title V Grant	0	129,428	129,428	0
Election Services	4,697	718	1,713	3,702
Senior Citizens Sales Tax	0	195,869	195,869	0
Prosecuting Attorney Bad Checks	1,574	3,058	4,236	396
Special Prosecutor's Grant	26	44,986	46,680	(1,668)
Drainage Districts	114,706	77,393	55,760	136,339
Crime Reduction	2,880	10,149	9,505	3,524
Domestic Violence Grant Fund	0	22,714	24,849	(2,135)
Domestic Relations Grant Fund	0	22,899	22,899	0
Prosecuting Attorney Delinquent Tax	9,036	154	1,169	8,021
Law Library	10,893	8,010	5,125	13,778
Circuit Clerk Interest	478	484	872	90
Juvenile Assessment	6,215	543	290	6,468
Collector's Fund	945	15,566	2,384	14,127
Senate Bill 40 Board	1,061,376	155,639	46,676	1,170,339
Health Center	280,670	800,403	852,995	228,078
Community Development Block Grant Fund	0	255,956	255,956	0
Total	\$ 2,600,387	7,072,974	6,886,506	2,786,855

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit A-2

MISSISSIPPI COUNTY, MISSOURI
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - VARIOUS FUNDS
YEAR ENDED DECEMBER 31, 2002

Fund	Cash, January 1	Receipts	Disbursements	Cash, December 31
General Revenue	\$ 562,765	1,807,064	1,680,808	689,021
Special Road and Bridge	158,799	918,469	934,738	142,530
Assessment	7	152,315	152,301	21
Law Enforcement Training	5,456	4,827	6,635	3,648
Prosecuting Attorney Training	1,668	818	1,554	932
Johnson Grass	11,650	35,977	37,611	10,016
Law Enforcement Sales Tax	24,522	2,247,526	2,243,907	28,141
Law Enforcement Block Grant	0	27,118	25,914	1,204
Capital Improvement Sales Tax	0	708	0	708
Recorder's User Fee	8,100	5,133	5,512	7,721
Recorder Technology	1,176	2,998	0	4,174
Victims of Domestic Violence	294	1,568	1,130	732
Emergency 911	122,847	84,587	98,836	108,598
Contingency Fund	0	50,090	0	50,090
Drug Court Grant	9,055	123,213	72,913	59,355
Cultural Productivity Grant	0	127,513	127,513	0
Juvenile Justice Title V Grant	0	114,997	114,997	0
Election Services	1,949	2,748	0	4,697
Senior Citizens Sales Tax	0	201,666	201,666	0
Prosecuting Attorney Bad Checks	2,172	3,233	3,831	1,574
Special Prosecutor's Grant	0	30,027	30,001	26
Drainage Districts	97,913	79,491	62,698	114,706
Crime Reduction	11,865	16,357	25,342	2,880
Prosecuting Attorney Delinquent Tax	0	9,036	0	9,036
Law Library	10,495	6,208	5,810	10,893
Circuit Clerk Interest	681	479	682	478
Juvenile Assessment	5,150	1,065	0	6,215
Collector's Fund	0	945	0	945
Senate Bill 40 Board	980,658	141,371	60,653	1,061,376
Health Center	180,358	980,382	880,070	280,670
Total	\$ 2,197,580	7,177,929	6,775,122	2,600,387

The accompanying Notes to the Financial Statements are an integral part of this statement.

Exhibit B

MISSISSIPPI COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
TOTALS - VARIOUS FUNDS						
RECEIPTS	\$ 8,118,511	7,072,974	(1,045,537)	7,172,227	7,176,984	4,757
DISBURSEMENTS	8,347,513	6,886,506	1,461,007	7,324,637	6,775,122	549,515
RECEIPTS OVER (UNDER) DISBURSEMENTS	(229,002)	186,468	415,470	(152,410)	401,862	554,272
CASH, JANUARY 1	1,563,656	2,600,387	1,036,731	1,266,555	2,197,580	931,025
CASH, DECEMBER 31	1,334,654	2,786,855	1,452,201	1,114,145	2,599,442	1,485,297
GENERAL REVENUE FUND						
RECEIPTS						
Property taxes	315,000	314,500	(500)	325,000	310,346	(14,654)
Sales taxes	700,000	783,393	83,393	740,000	815,824	75,824
Intergovernmental	681,743	300,173	(381,570)	494,925	437,510	(57,415)
Charges for service	164,750	185,418	20,668	170,000	173,310	3,310
Interest	10,000	19,143	9,143	15,000	15,186	186
Other	44,845	44,089	(756)	37,845	54,888	17,043
Total Receipts	1,916,338	1,646,716	(269,622)	1,782,770	1,807,064	24,294
DISBURSEMENTS						
County Commissior	91,876	102,908	(11,032)	89,576	98,495	(8,919)
County Clerk	83,317	80,240	3,077	82,754	82,779	(25)
Elections	7,500	3,519	3,981	40,000	34,500	5,500
Buildings and grounds	121,500	116,700	4,800	118,500	107,517	10,983
Employee fringe benefit	120,850	109,522	11,328	99,800	113,079	(13,279)
County Treasurer	29,739	29,393	346	29,739	29,585	154
County Collector	83,133	82,543	590	83,133	82,667	466
Ex Officio Recorder of Deed	0	0	0	22,661	20,718	1,943
Recorder of Deeds	48,350	44,358	3,992	0	0	0
Circuit Clerk	15,350	15,167	183	16,500	12,348	4,152
Associate Circuit Court	34,454	21,443	13,011	18,954	21,818	(2,864)
Associate Circuit (Probate)	1,000	580	420	1,000	668	332
Court administration	21,500	13,211	8,289	30,000	9,821	20,179
Public Administrator	22,000	21,903	97	21,850	22,081	(231)
Prosecuting Attorney	108,085	98,612	9,473	134,098	112,127	21,971
Juvenile Offices	20,000	15,665	4,335	18,000	20,393	(2,393)
County Coroner	19,476	22,950	(3,474)	16,726	20,590	(3,864)
SEMO Drug Task Force	561,739	181,686	380,053	430,000	374,988	55,012
Other	166,750	232,830	(66,080)	149,110	107,440	41,670
Public health and welfare service	26,111	40,052	(13,941)	23,111	27,610	(4,499)
Transfers out	359,000	424,372	(65,372)	397,000	381,584	15,416
Emergency Func	55,000	0	55,000	55,000	0	55,000
Total Disbursements	1,996,730	1,657,654	339,076	1,877,512	1,680,808	196,704
RECEIPTS OVER (UNDER) DISBURSEMENTS	(80,392)	(10,938)	69,454	(94,742)	126,256	220,998
CASH, JANUARY 1	689,021	689,021	0	562,765	562,765	0
CASH, DECEMBER 31	608,629	678,083	69,454	468,023	689,021	220,998

Exhibit B

MISSISSIPPI COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>SPECIAL ROAD AND BRIDGE FUND</u>						
RECEIPTS						
Property taxes	350,000	356,101	6,101	375,000	349,646	(25,354)
Intergovernmental	653,273	426,274	(226,999)	415,000	464,320	49,320
Charges for service	52,500	94,076	41,576	50,000	87,098	37,098
Interest	3,500	4,015	515	5,000	6,067	1,067
Other	2,150	19,424	17,274	750	11,338	10,588
Total Receipts	1,061,423	899,890	(161,533)	845,750	918,469	72,719
DISBURSEMENTS						
Salaries	365,000	358,857	6,143	365,000	355,186	9,814
Employee fringe benefit	124,500	118,267	6,233	118,500	110,596	7,904
Supplies	84,800	95,530	(10,730)	95,000	85,821	9,179
Insurance	15,000	19,384	(4,384)	18,000	11,555	6,445
Road and bridge materials	124,000	162,670	(38,670)	167,500	162,775	4,725
Equipment repairs	70,000	73,419	(3,419)	71,000	90,588	(19,588)
Equipment purchases	65,000	65,386	(386)	65,000	70,263	(5,263)
Construction, repair, and maintenance	295,000	8,340	286,660	25,000	27,307	(2,307)
Other	29,000	8,174	20,826	12,000	20,647	(8,647)
Total Disbursements	1,172,300	910,027	262,273	937,000	934,738	2,262
RECEIPTS OVER (UNDER) DISBURSEMENTS	(110,877)	(10,137)	100,740	(91,250)	(16,269)	74,981
CASH, JANUARY 1	142,530	142,530	0	158,799	158,799	0
CASH, DECEMBER 31	31,653	132,393	100,740	67,549	142,530	74,981
<u>ASSESSMENT FUND</u>						
RECEIPTS						
Intergovernmental	98,400	100,255	1,855	104,650	102,469	(2,181)
Charges for service	0	0	0	100	0	(100)
Interest	200	231	31	200	246	46
Other	0	615	615	0	0	0
Transfers in	59,000	54,000	(5,000)	47,500	49,600	2,100
Total Receipts	157,600	155,101	(2,499)	152,450	152,315	(135)
DISBURSEMENTS						
Assessor	154,615	154,181	434	152,321	152,301	20
Total Disbursements	154,615	154,181	434	152,321	152,301	20
RECEIPTS OVER (UNDER) DISBURSEMENTS	2,985	920	(2,065)	129	14	(115)
CASH, JANUARY 1	21	21	0	7	7	0
CASH, DECEMBER 31	3,006	941	(2,065)	136	21	(115)

Exhibit B

MISSISSIPPI COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>LAW ENFORCEMENT TRAINING FUND</u>						
RECEIPTS						
Intergovernmental	3,300	3,134	(166)	1,750	3,372	1,622
Charges for service	1,500	1,573	73	3,500	1,402	(2,098)
Interest	50	25	(25)	200	53	(147)
Total Receipts	4,850	4,732	(118)	5,450	4,827	(623)
DISBURSEMENTS						
Sheriff	8,000	5,558	2,442	10,000	6,635	3,365
Total Disbursements	8,000	5,558	2,442	10,000	6,635	3,365
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,150)	(826)	2,324	(4,550)	(1,808)	2,742
CASH, JANUARY 1	3,648	3,648	0	5,456	5,456	0
CASH, DECEMBER 31	498	2,822	2,324	906	3,648	2,742
<u>PROSECUTING ATTORNEY TRAINING FUND</u>						
RECEIPTS						
Intergovernmental	500	431	(69)	0	468	468
Charges for service	350	362	12	900	323	(577)
Interest	25	2	(23)	50	27	(23)
Total Receipts	875	795	(80)	950	818	(132)
DISBURSEMENTS						
Prosecuting Attorney	1,800	1,622	178	2,600	1,554	1,046
Total Disbursements	1,800	1,622	178	2,600	1,554	1,046
RECEIPTS OVER (UNDER) DISBURSEMENTS	(925)	(827)	98	(1,650)	(736)	914
CASH, JANUARY 1	932	932	0	1,668	1,668	0
CASH, DECEMBER 31	7	105	98	18	932	914
<u>JOHNSON GRASS FUND</u>						
RECEIPTS						
Property taxes	50,000	55,153	5,153	27,000	35,130	8,130
Intergovernmental	350	416	66	0	420	420
Interest	250	444	194	200	427	227
Total Receipts	50,600	56,013	5,413	27,200	35,977	8,777
DISBURSEMENTS						
Salaries	1,250	998	252	1,000	998	2
Employee fringe benefit	125	76	49	100	76	24
Supplies/Chemicals	10,000	5,475	4,525	8,500	1,928	6,572
Contract services	35,000	31,230	3,770	28,000	34,493	(6,493)
Equipment	0	7,999	(7,999)	0	0	0
Parts/Repairs	0	182	(182)	0	116	(116)
Other	500	0	500	500	0	500
Total Disbursements	46,875	45,960	915	38,100	37,611	489
RECEIPTS OVER (UNDER) DISBURSEMENTS	3,725	10,053	6,328	(10,900)	(1,634)	9,266
CASH, JANUARY 1	10,016	10,016	0	11,650	11,650	0
CASH, DECEMBER 31	13,741	20,069	6,328	750	10,016	9,266

Exhibit B

MISSISSIPPI COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>LAW ENFORCEMENT SALES TAX FUND</u>						
RECEIPTS						
Sales taxes	350,000	391,746	41,746	370,000	403,333	33,333
Intergovernmental	0	0	0	4,693	4,693	0
Charges for service	1,625,280	1,486,032	(139,248)	1,467,799	1,491,283	23,484
Interest	500	0	(500)	250	1,790	1,540
Other	40,820	21,363	(19,457)	114,807	71,427	(43,380)
Transfers in	250,000	352,000	102,000	300,000	275,000	(25,000)
Total Receipts	2,266,600	2,251,141	(15,459)	2,257,549	2,247,526	(10,023)
DISBURSEMENTS						
Sheriff	382,550	417,337	(34,787)	451,803	491,561	(39,758)
Jail	1,437,236	1,433,426	3,810	1,423,109	1,363,094	60,015
Juvenile Detention Center	10,000	5,840	4,160	35,100	35,165	(65)
Detention Center lease	417,900	414,420	3,480	370,000	352,869	17,131
Transfer Out	0	0	0	1,218	1,218	0
Total Disbursements	2,247,686	2,271,023	(23,337)	2,281,230	2,243,907	37,323
RECEIPTS OVER (UNDER) DISBURSEMENTS	18,914	(19,882)	(38,796)	(23,681)	3,619	27,300
CASH, JANUARY 1	28,141	28,141	0	24,522	24,522	0
CASH, DECEMBER 31	47,055	8,259	(38,796)	841	28,141	27,300
<u>LAW ENFORCEMENT BLOCK GRANT FUND</u>						
RECEIPTS						
Intergovernmental	10,000	0	(10,000)	45,567	24,958	(20,609)
Transfers in	2,712	1,693	(1,019)	0	2,160	2,160
Total Receipts	12,712	1,693	(11,019)	45,567	27,118	(18,449)
DISBURSEMENTS						
Law enforcement	13,916	2,897	11,019	45,567	25,914	19,653
Total Disbursements	13,916	2,897	11,019	45,567	25,914	19,653
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,204)	(1,204)	0	0	1,204	1,204
CASH, JANUARY 1	1,204	1,204	0	0	0	0
CASH, DECEMBER 31	0	0	0	0	1,204	1,204
<u>CAPITAL IMPROVEMENT SALES TAX FUND</u>						
RECEIPTS						
Sales taxes	250	843	593	500	703	203
Interest	0	14	14	0	5	5
Total Receipts	250	857	607	500	708	208
DISBURSEMENTS						
Building	950	0	950	500	0	500
Total Disbursements	950	0	950	500	0	500
RECEIPTS OVER (UNDER) DISBURSEMENTS	(700)	857	1,557	0	708	708
CASH, JANUARY 1	708	708	0	0	0	0
CASH, DECEMBER 31	8	1,565	1,557	0	708	708

Exhibit B

MISSISSIPPI COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>RECORDER'S USER FEE FUND</u>						
RECEIPTS						
Charges for service	4,500	5,438	938	4,500	4,943	443
Interest	150	144	(6)	100	190	90
Total Receipts	4,650	5,582	932	4,600	5,133	533
DISBURSEMENTS						
Ex-Officio Recorder of Deed	12,000	8,072	3,928	8,000	5,512	2,488
Total Disbursements	12,000	8,072	3,928	8,000	5,512	2,488
RECEIPTS OVER (UNDER) DISBURSEMENTS	(7,350)	(2,490)	4,860	(3,400)	(379)	3,021
CASH, JANUARY 1	7,721	7,721	0	8,100	8,100	0
CASH, DECEMBER 31	371	5,231	4,860	4,700	7,721	3,021
<u>RECORDER TECHNOLOGY FUND</u>						
RECEIPTS						
Charges for service	2,500	3,522	1,022	1,500	2,936	1,436
Interest	50	108	58	0	62	62
Total Receipts	2,550	3,630	1,080	1,500	2,998	1,498
DISBURSEMENTS						
Ex-Officio Recorder of Deed	6,500	0	6,500	2,500	0	2,500
Total Disbursements	6,500	0	6,500	2,500	0	2,500
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,950)	3,630	7,580	(1,000)	2,998	3,998
CASH, JANUARY 1	4,174	4,174	0	1,176	1,176	0
CASH, DECEMBER 31	224	7,804	7,580	176	4,174	3,998
<u>VICTIMS OF DOMESTIC VIOLENCE FUND</u>						
RECEIPTS						
Charges for service	3,500	3,402	(98)	1,750	1,568	(182)
Total Receipts	3,500	3,402	(98)	1,750	1,568	(182)
DISBURSEMENTS						
Contracted services	4,150	3,668	482	2,000	1,130	870
Total Disbursements	4,150	3,668	482	2,000	1,130	870
RECEIPTS OVER (UNDER) DISBURSEMENTS	(650)	(266)	384	(250)	438	688
CASH, JANUARY 1	732	732	0	294	294	0
CASH, DECEMBER 31	82	466	384	44	732	688

Exhibit B

MISSISSIPPI COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>EMERGENCY 911 FUND</u>						
RECEIPTS						
Charges for service	80,000	74,979	(5,021)	80,000	81,531	1,531
Interest	2,500	2,925	425	4,000	3,056	(944)
Total Receipts	82,500	77,904	(4,596)	84,000	84,587	587
DISBURSEMENTS						
Rural addressing	2,500	543	1,957	10,000	3,240	6,760
Employee fringe benefit	250	44	206	0	151	(151)
Southwestern Bell service	35,000	29,937	5,063	35,000	31,606	3,394
Equipment purchases	10,000	319	9,681	40,000	62,349	(22,349)
Equipment repairs	15,000	997	14,003	20,000	1,490	18,510
Software	0	407	(407)	0	0	0
Total Disbursements	62,750	32,247	30,503	105,000	98,836	6,164
RECEIPTS OVER (UNDER) DISBURSEMENTS	19,750	45,657	25,907	(21,000)	(14,249)	6,751
CASH, JANUARY 1	108,598	108,598	0	122,847	122,847	0
CASH, DECEMBER 31	128,348	154,255	25,907	101,847	108,598	6,751
<u>CONTINGENCY FUND</u>						
RECEIPTS						
Transfer in	50,000	0	(50,000)	50,000	50,000	0
Interest	0	966	966	0	90	90
Total Receipts	50,000	966	(49,034)	50,000	50,090	90
DISBURSEMENTS						
Major Repairs	25,000	0	25,000	0	0	0
Equipment	25,000	0	25,000	0	0	0
Total Disbursements	50,000	0	50,000	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	966	966	50,000	50,090	90
CASH, JANUARY 1	50,090	50,090	0	0	0	0
CASH, DECEMBER 31	50,090	51,056	966	50,000	50,090	90
<u>DRUG COURT GRANT FUND</u>						
RECEIPTS						
Intergovernmental	163,044	163,044	0	115,102	122,283	7,181
Interest	0	1,683	1,683	0	930	930
Total Receipts	163,044	164,727	1,683	115,102	123,213	8,111
DISBURSEMENTS						
Drug court	206,000	81,335	124,665	124,157	72,913	51,244
Total Disbursements	206,000	81,335	124,665	124,157	72,913	51,244
RECEIPTS OVER (UNDER) DISBURSEMENTS	(42,956)	83,392	126,348	(9,055)	50,300	59,355
CASH, JANUARY 1	59,355	59,355	0	9,055	9,055	0
CASH, DECEMBER 31	16,399	142,747	126,348	0	59,355	59,355

Exhibit B

MISSISSIPPI COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>CULTURAL PRODUCTIVITY GRANT FUND</u>						
RECEIPTS						
Intergovernmental	130,000	55,856	(74,144)	205,467	127,513	(77,954)
Total Receipts	130,000	55,856	(74,144)	205,467	127,513	(77,954)
DISBURSEMENTS						
Contract services	130,000	55,856	74,144	205,467	127,513	77,954
Total Disbursements	130,000	55,856	74,144	205,467	127,513	77,954
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0	0	0	0
CASH, JANUARY 1	0	0	0	0	0	0
CASH, DECEMBER 31	0	0	0	0	0	0
<u>JUVENILE JUSTICE TITLE V GRANT FUND</u>						
RECEIPTS						
Intergovernmental	130,000	129,428	(572)	123,743	114,997	(8,746)
Total Receipts	130,000	129,428	(572)	123,743	114,997	(8,746)
DISBURSEMENTS						
Contract services	130,000	129,428	572	123,743	114,997	8,746
Total Disbursements	130,000	129,428	572	123,743	114,997	8,746
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0	0	0	0
CASH, JANUARY 1	0	0	0	0	0	0
CASH, DECEMBER 31	0	0	0	0	0	0
<u>ELECTION SERVICES FUND</u>						
RECEIPTS						
Intergovernmental	600	634	34	2,000	2,675	675
Interest	75	84	9	0	73	73
Total Receipts	675	718	43	2,000	2,748	748
DISBURSEMENTS						
Election services	4,500	1,713	2,787	3,500	0	3,500
Total Disbursements	4,500	1,713	2,787	3,500	0	3,500
RECEIPTS OVER (UNDER) DISBURSEMENTS	(3,825)	(995)	2,830	(1,500)	2,748	4,248
CASH, JANUARY 1	4,697	4,697	0	1,949	1,949	0
CASH, DECEMBER 31	872	3,702	2,830	449	4,697	4,248
<u>SENIOR CITIZENS SALES TAX FUND</u>						
RECEIPTS						
Sales taxes	196,000	195,869	(131)	205,000	201,666	(3,334)
Total Receipts	196,000	195,869	(131)	205,000	201,666	(3,334)
DISBURSEMENTS						
Contract services	196,000	195,869	131	205,000	201,666	3,334
Total Disbursements	196,000	195,869	131	205,000	201,666	3,334
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0	0	0	0
CASH, JANUARY 1	0	0	0	0	0	0
CASH, DECEMBER 31	0	0	0	0	0	0

Exhibit B

MISSISSIPPI COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>PROSECUTING ATTORNEY BAD CHECKS FUND</u>						
RECEIPTS						
Charges for service	3,500	3,047	(453)	3,600	3,195	(405)
Interest	25	11	(14)	50	38	(12)
Total Receipts	3,525	3,058	(467)	3,650	3,233	(417)
DISBURSEMENTS						
Salaries	3,400	3,279	121	3,514	3,167	347
Employee fringe benefit	300	291	9	300	288	12
Other	1,000	666	334	2,000	376	1,624
Total Disbursements	4,700	4,236	464	5,814	3,831	1,983
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,175)	(1,178)	(3)	(2,164)	(598)	1,566
CASH, JANUARY 1	1,574	1,574	0	2,172	2,172	0
CASH, DECEMBER 31	399	396	(3)	8	1,574	1,566
<u>SPECIAL PROSECUTOR'S GRANT</u>						
RECEIPTS						
Intergovernmental	38,400	34,709	(3,691)	48,000	23,985	(24,015)
Transfers in	9,600	10,277	677	0	6,042	6,042
Total Receipts	48,000	44,986	(3,014)	48,000	30,027	(17,973)
DISBURSEMENTS						
Salaries	40,000	40,003	(3)	40,000	26,154	13,846
Fringe benefits	8,000	6,677	1,323	8,000	3,847	4,153
Total Disbursements	48,000	46,680	1,320	48,000	30,001	17,999
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(1,694)	(1,694)	0	26	26
CASH, JANUARY 1	26	26	0	0	0	0
CASH, DECEMBER 31	26	(1,668)	(1,694)	0	26	26
<u>DRAINAGE DISTRICTS FUND</u>						
RECEIPTS						
Property taxes	76,600	74,164	(2,436)	78,900	76,957	(1,943)
Interest	0	2,555	2,555	0	2,534	2,534
Other	1,000	674	(326)	2,500	0	(2,500)
Total Receipts	77,600	77,393	(207)	81,400	79,491	(1,909)
DISBURSEMENTS						
Ditch maintenance	154,000	55,760	98,240	146,400	62,698	83,702
Total Disbursements	154,000	55,760	98,240	146,400	62,698	83,702
RECEIPTS OVER (UNDER) DISBURSEMENTS	(76,400)	21,633	98,033	(65,000)	16,793	81,793
CASH, JANUARY 1	114,706	114,706	0	97,913	97,913	0
CASH, DECEMBER 31	38,306	136,339	98,033	32,913	114,706	81,793

Exhibit B

MISSISSIPPI COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>CRIME REDUCTION FUND</u>						
RECEIPTS						
Interest	50	41	(9)	250	156	(94)
Other	15,000	10,108	(4,892)	20,000	16,201	(3,799)
Total Receipts	15,050	10,149	(4,901)	20,250	16,357	(3,893)
DISBURSEMENTS						
Drug investigations	5,000	4,000	1,000	10,000	4,531	5,469
Other	12,500	5,505	6,995	16,500	20,811	(4,311)
Total Disbursements	17,500	9,505	7,995	26,500	25,342	1,158
RECEIPTS OVER (UNDER) DISBURSEMENTS	(2,450)	644	3,094	(6,250)	(8,985)	(2,735)
CASH, JANUARY 1	2,880	2,880	0	11,865	11,865	0
CASH, DECEMBER 31	430	3,524	3,094	5,615	2,880	(2,735)
<u>DOMESTIC VIOLENCE GRANT FUND</u>						
RECEIPTS						
Intergovernmental	26,616	16,312	(10,304)			
Transfers in	8,872	6,402	(2,470)			
Total Receipts	35,488	22,714	(12,774)			
DISBURSEMENTS						
Salaries	32,000	21,168	10,832			
Employee fringe benefit	3,488	3,681	(193)			
Total Disbursements	35,488	24,849	10,639			
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	(2,135)	(2,135)			
CASH, JANUARY 1	0	0	0			
CASH, DECEMBER 31	0	(2,135)	(2,135)			
<u>DOMESTIC RELATIONS GRANT FUND</u>						
RECEIPTS						
Intergovernmental	56,685	22,899	(33,786)			
Total Receipts	56,685	22,899	(33,786)			
DISBURSEMENTS						
Batter Intervention	27,765	11,614	16,151			
Child Access Visitation	28,920	11,285	17,635			
Total Disbursements	56,685	22,899	33,786			
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0			
CASH, JANUARY 1	0	0	0			
CASH, DECEMBER 31	0	0	0			

Exhibit B

MISSISSIPPI COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>PROSECUTING ATTORNEY DELINQUENT TAX</u>						
RECEIPTS						
Charge for service	0	0	0	0	8,998	8,998
Interest	25	154	129	0	38	38
Total Receipts	25	154	129	0	9,036	9,036
DISBURSEMENTS						
Training	4,500	869	3,631	0	0	0
Equipment repair	1,000	225	775	0	0	0
Other	500	75	425	0	0	0
Total Disbursements	6,000	1,169	4,831	0	0	0
RECEIPTS OVER (UNDER) DISBURSEMENTS	(5,975)	(1,015)	4,960	0	9,036	9,036
CASH JANUARY 1	9,036	9,036	0		0	0
CASH DECEMBER 31	3,061	8,021	4,960	0	9,036	9,036
<u>LAW LIBRARY FUND</u>						
RECEIPTS						
Charges for service	6,000	8,010	2,010	5,300	6,208	908
Total Receipts	6,000	8,010	2,010	5,300	6,208	908
DISBURSEMENTS						
Law library	6,000	5,125	875	5,000	5,810	(810)
Total Disbursements	6,000	5,125	875	5,000	5,810	(810)
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	2,885	2,885	300	398	98
CASH, JANUARY 1	10,893	10,893	0	10,495	10,495	0
CASH, DECEMBER 31	10,893	13,778	2,885	10,795	10,893	98
<u>CIRCUIT CLERK INTEREST FUND</u>						
RECEIPTS						
Interest	475	484	9	850	479	(371)
Total Receipts	475	484	9	850	479	(371)
DISBURSEMENTS						
Office expenditures:	953	872	81	1,531	682	849
Total Disbursements	953	872	81	1,531	682	849
RECEIPTS OVER (UNDER) DISBURSEMENTS	(478)	(388)	90	(681)	(203)	478
CASH, JANUARY 1	478	478	0	681	681	0
CASH, DECEMBER 31	0	90	90	0	478	478

Exhibit B

MISSISSIPPI COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>JUVENILE ASSESSMENT FUND</u>						
RECEIPTS						
Charges for service	1,000	520	(480)	700	1,065	365
Interest	0	23	23	100	0	(100)
Total Receipts	1,000	543	(457)	800	1,065	265
DISBURSEMENTS						
Other	2,000	290	1,710	2,500	0	2,500
Total Disbursements	2,000	290	1,710	2,500	0	2,500
RECEIPTS OVER (UNDER) DISBURSEMENTS	(1,000)	253	1,253	(1,700)	1,065	2,765
CASH, JANUARY 1	6,215	6,215	0	5,150	5,150	0
CASH, DECEMBER 31	5,215	6,468	1,253	3,450	6,215	2,765
<u>COLLECTOR'S FUND</u>						
RECEIPTS						
Penalties & interest	10,000	15,465	5,465			
Interest	70	101	31			
Total Receipts	10,070	15,566	5,496			
DISBURSEMENTS						
Office expenses	11,015	2,384	8,631			
Total Disbursements	11,015	2,384	8,631			
RECEIPTS OVER (UNDER) DISBURSEMENTS	(945)	13,182	14,127			
CASH, JANUARY 1	945	945	0			
CASH, DECEMBER 31	0	14,127	14,127			
<u>SENATE BILL 40 BOARD FUND</u>						
RECEIPTS						
Property taxes	120,000	134,586	14,586	117,800	112,116	(5,684)
Interest	40,000	21,053	(18,947)	35,000	29,255	(5,745)
Total Receipts	160,000	155,639	(4,361)	152,800	141,371	(11,429)
DISBURSEMENTS						
Transportation	24,000	18,179	5,821	22,000	20,344	1,656
Bus fund	10,000	10,000	0	10,000	10,000	0
Equipment purchase	10,000	0	10,000	10,000	10,000	0
Treasurer bond	25,000	1,875	23,125	1,875	1,875	0
Food	20,000	16,441	3,559	20,000	18,235	1,765
Other	1,000	181	819	1,000	199	801
Total Disbursements	90,000	46,676	43,324	64,875	60,653	4,222
RECEIPTS OVER (UNDER) DISBURSEMENTS	70,000	108,963	38,963	87,925	80,718	(7,207)
CASH, JANUARY 1	25,350	1,061,376	1,036,026	49,633	980,658	931,025
CASH, DECEMBER 31	95,350	1,170,339	1,074,989	137,558	1,061,376	923,818

Exhibit B

MISSISSIPPI COUNTY, MISSOURI

COMPARATIVE STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH - BUDGET AND ACTUAL - VARIOUS FUND

	Year Ended December 31,					
	2003			2002		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<u>HEALTH CENTER</u>						
RECEIPTS						
Property taxes	100,000	112,884	12,884	101,969	109,000	7,031
Intergovernmental	712,076	547,310	(164,766)	676,960	703,746	26,786
Charges for service	148,650	133,269	(15,381)	153,700	158,511	4,811
Interest	5,000	2,713	(2,287)	9,000	5,456	(3,544)
Other	4,700	4,227	(473)	6,200	3,669	(2,531)
Total Receipts	970,426	800,403	(170,023)	947,829	980,382	32,553
DISBURSEMENTS						
Salaries	506,000	491,198	14,802	499,900	467,651	32,249
Office expenses	28,000	26,696	1,304	24,770	27,226	(2,456)
Equipment	13,000	10,268	2,732	57,500	63,882	(6,382)
Mileage and training	12,000	10,637	1,363	9,700	11,065	(1,365)
Clinic supplies	56,000	36,202	19,798	55,000	51,960	3,040
East Prairie	31,600	20,956	10,644	20,800	32,253	(11,453)
Caring Communities	290,000	212,315	77,685	127,000	201,017	(74,017)
Other	33,800	44,723	(10,923)	105,150	25,016	80,134
Total Disbursements	970,400	852,995	117,405	899,820	880,070	19,750
RECEIPTS OVER (UNDER) DISBURSEMENTS	26	(52,592)	(52,618)	48,009	100,312	52,303
CASH, JANUARY 1	279,965	280,670	705	180,358	180,358	0
CASH, DECEMBER 31	279,991	228,078	(51,913)	228,367	280,670	52,303
<u>COMMUNITY DEVELOPMENT BLOCK GRANT FUND</u>						
RECEIPTS						
Intergovernmental	500,000	255,956	(244,044)			
Total Receipts	500,000	255,956	(244,044)			
DISBURSEMENTS						
Contract services	500,000	255,956	244,044			
Total Disbursements	500,000	255,956	244,044			
RECEIPTS OVER (UNDER) DISBURSEMENTS	0	0	0			
CASH, JANUARY 1	0	0	0			
CASH, DECEMBER 31	0	0	0			

The accompanying Notes to the Financial Statements are an integral part of this statement.

Notes to the Financial Statements

MISSISSIPPI COUNTY, MISSOURI
NOTES TO THE FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Reporting Entity and Basis of Presentation

The accompanying financial statements present the receipts, disbursements, and changes in cash of various funds of Mississippi County, Missouri, and comparisons of such information with the corresponding budgeted information for various funds of the county. The funds presented are established under statutory or administrative authority, and their operations are under the control of the County Commission, an elected county official, the Health Center Board, the Johnson Grass Board, or the Senate Bill 40 Board. The General Revenue Fund is the county's general operating fund, accounting for all financial resources except those required to be accounted for in another fund. The other funds presented account for financial resources whose use is restricted for specified purposes.

B. Basis of Accounting

The financial statements are prepared on the cash basis of accounting; accordingly, amounts are recognized when received or disbursed in cash. This basis of accounting differs from accounting principles generally accepted in the United States of America. Those principles require revenues to be recognized when they become available and measurable or when they are earned and expenditures or expenses to be recognized when the related liabilities are incurred.

C. Budgets and Budgetary Practices

The County Commission and other applicable boards are responsible for the preparation and approval of budgets for various county funds in accordance with Sections 50.525 through 50.745, RSMo 2000, the county budget law. These budgets are adopted on the cash basis of accounting.

Although adoption of a formal budget is required by law, the county did not adopt a formal budget for the Collector's Fund for the year ended December 31, 2002.

Section 50.740, RSMo 2000, prohibits expenditures in excess of the approved budgets. However, expenditures exceeded budgeted amounts for the Law Enforcement Sales Tax Fund for the year ended December 31, 2003 and the Law Library Fund for the year ended December 31, 2002.

D. Published Financial Statements

Under Sections 50.800 and 50.810, RSMo 2000, the County Commission is responsible for preparing and publishing in a local newspaper a detailed annual financial statement for the county. The financial statement is required to show receipts or revenues, disbursements or expenditures, and beginning and ending balances for each fund.

However, the county's published financial statements did not include the following funds:

<u>Fund</u>	<u>Years Ended December 31,</u>
Recorder Technology Fund	2003
Drug Court Grant Fund	2003
Special Prosecutor's Grant Fund	2003
Senate Bill 40 Board Fund	2002

In addition, for the Senate Bill 40 Board Fund, the county's published financial statements for the years ended December 31, 2003, included only those amounts that passed through the County Treasurer.

2. Cash

Section 110.270, RSMo 2000, based on Article IV, Section 15, Missouri Constitution, authorizes counties to place their funds, either outright or by repurchase agreement, in U.S. Treasury and agency obligations. In addition, Section 30.950, RSMo 2000, requires political subdivisions with authority to invest in instruments other than depository accounts at financial institutions to adopt a written investment policy. Among other things, the policy is to commit a political subdivision to the principles of safety, liquidity, and yield (in that order) when managing public funds and to prohibit purchase of derivatives (either directly or through repurchase agreements), use of leveraging (through either reverse repurchase agreements or other methods), and use of public funds for speculation. The county has adopted such a policy.

In accordance with Statement No. 3 of the Governmental Accounting Standards Board, *Deposits with Financial Institutions, Investments (Including Repurchase Agreements), and Reverse Repurchase Agreements*, disclosures are provided below regarding the risk of potential loss of cash deposits. For the purposes of these disclosures, deposits with financial institutions are demand, time, and savings accounts, including certificates of deposit and negotiable order of withdrawal accounts, in banks, savings institutions, and credit unions.

The county's and the Senate Bill 40 Board's deposits at December 31, 2003 and 2002, were entirely covered by federal depository insurance or by collateral securities held by the county's or the board's custodial bank in the county's or the board's name.

The Health Center Board's deposits at December 31, 2003, were entirely covered by federal depository insurance or by collateral securities held by the board's custodial bank in the board's name. Of the Health Center Board's deposits at December 31, 2002, \$200,000 was covered by Federal Depository Insurance, and \$448 was uninsured and under collateralized.

Furthermore, because of significantly higher bank balances at certain times during the year, the amounts of uninsured and uncollateralized balances for the Health Center Board were substantially higher at those times than such amounts at year-end.

To protect the safety of county deposits, Section 110.020, RSMo 2000, requires depositories to pledge collateral securities to secure county deposits not insured by the Federal Deposit Insurance Corporation.

3. Sales Taxes

In April 1996, Mississippi County voters approved a one-fourth of one percent sales tax levy for the purpose of funding senior citizens' services within the county. The county imposed this sales tax under Section 67.547, RSMo 2000; however, the county also has another one-half of one percent sales tax levy for the General Revenue Fund under this law. With this additional senior citizens' sales tax, the county is levying three-fourths of one percent which is apparently above the statutory maximum allowed by Section 67.547. The ultimate outcome of this situation cannot be determined.

4. Prior Period Adjustment

The Health Center's cash balance at January 1, 2002, as previously stated has been increased by \$2,507 to reflect monies held by the Health Center that were not reported previously.

The Senate Bill 40 Board's cash balance at January 1, 2002, as previously stated has been increased by \$55,026 to reflect a certificate of deposit balance not previously reported.

Supplementary Schedule

Schedule

MISSISSIPPI COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2003	2002
U.S. OFFICE OF NATIONAL DRUG CONTROL POLICY				
Passed through state Department of Public Safety				
07	HIDTA	I2PMWWP609	\$ 0	130,532
U. S. DEPARTMENT OF AGRICULTURE				
Passed through state Department of Health and Senior Services				
10.557	Special Supplemental Nutrition Program for Women, Infants, and Children	ERS045-3167	80,703	0
		ERS045-2167	0	80,512
	Program Total		80,703	80,512
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT				
Passed through state Department of Economic Development				
14.228	Community Development Block Grants/State' Program	2001-PF35	255,956	0
U.S. DEPARTMENT OF JUSTICE				
Direct program:				
16.609	Community Prosecution and Project Safe Neighborhood	NA	34,709	23,985
Passed through:				
State Department of Public Safety				
16.523	Juvenile Accountability Incentive Block Grant	99JAIBG-INT-16	0	4,693
16.540	Juvenile Justice and Delinquency Prevention - Allocatio to States	APC01380212	0	72,913
16.548	Title V Delinquency Prevention Program	01-JJT5-03	129,428	114,997
16.579	Byrne Formula Grant Program	HCD2-041	96,241	166,102
16.588	Violence Against Women Formula Grant	2002-VAWA0033	16,312	0
16.592	Local Law Enforcement Block Grants Program	2002-2B842073	0	23,445
Missouri Sheriff's Association				
16	Domestic Cannabis Eradication/Suppression Program	NA	868	1,010
Missouri Sheriff's Meth-Amphetamine Relief Team				
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistanc Discretionary Grants Program	2002-CKWK0185	85,445	69,849

Schedule

MISSISSIPPI COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures	
			Year Ended December 31,	
			2003	2002
U. S. DEPARTMENT OF TRANSPORTATION				
Passed through state Highway and Transportation Commission				
20.205	Highway Planning and Constructior	BRO-067(14)	6,672	21,954
FEDERAL EMERGENCY MANAGEMENT AGENCY				
Passed through state Department of Public Safety				
83.552	State and Local All Hazards Emergency Operations Planning	EMK-2003-GR2540	3,300	0
83.562	Public Assistance Grants **	FEMA-1412-DRMO	4,242	33,091
U. S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Passed through:				
State Department of Health and Senior Services				
93.043	Special Program for the Aging Title III, Part D - Diseas Prevention and Health Promotion Service	ERS146-2167L	2,289	1,784
93.197	Childhood Lead Poisoning Prevention Projects State and Local Childhood Lead Poisoning Prevention and Surveillance of Blood Lead Level in Children	ERS146-3167T	5,700	1,500
93.268	Immunization Grants	PGA064-3167A	6,867	6,752
		NA	28,098	43,623
	Program Total		34,965	50,375
93.283	Center for Disease Control and Prevention Investigations and Technic Assistance	DH030510026	6,700	0
State Department of Social Services				
93.556	Promoting Safe and Stable Familie:	PG0069153	0	89,425
		PG0069170	160,811	0
	Program Total		160,811	89,425
93.558	Temporary Assistance for Needy Familie	A077000510	55,856	127,513
93.563	Child Support Enforcemen	NA	43,361	41,904
93.667	Social Services Block Gran	NA	18,150	16,165
State Department of Health and Senior Services				
93.575	Child Care and Development Block Gran	PGA067-3167C	2,000	1,950
		PGA067-3167S	1,905	455
		PG0069153-01	0	63,284
	Program Total		3,905	65,689

Schedule

MISSISSIPPI COUNTY, MISSOURI
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal CFDA Number	Federal Grantor/Pass-Through Grantor/Program Title	Pass-Through Entity Identifying Number	Federal Expenditures Year Ended December 31,	
			2003	2002
93.919	Cooperative Agreements For State Based Comprehensive Breast and Cervical Cancer Early Detection Program	ERS161-20037	0	38,969
	Program Total	ERS161-30051	26,794	0
			<u>26,794</u>	<u>38,969</u>
	Sudden Infant Death Syndrome Resource, Inc			
93.926	Healthy Start Initiative	NA	10,000	20,000
	State Department of Health and Senior Services			
93.991	Preventive Health and Health Services Block Grant	DHO30030001	18,161	0
	Program Total	AOC02380066	0	25,919
			<u>18,161</u>	<u>25,919</u>
93.994	Maternal and Child Health Services Block Grant to the States	ERS146-3167M	17,933	25,077
		ERS1752043F	5,287	51,360
		NA	293	469
	Program Total	AOC01380-102	24,346	29,230
			<u>47,859</u>	<u>106,136</u>
93.217	Family Planning Title X	NA	22,667	12,000
	Total Expenditures of Federal Award:		\$ <u>1,171,094</u>	<u>1,340,462</u>

N/A - Not applicable

The accompanying Notes to the Supplementary Schedule are an integral part of this schedule.

* The CFDA number for this program changed to 97.051 in October 2003.

** The CFDA number for this program changed to 97.036 in October 2003.

Notes to the Supplementary Schedule

MISSISSIPPI COUNTY, MISSOURI
NOTES TO THE SUPPLEMENTARY SCHEDULE

1. Summary of Significant Accounting Policies

A. Purpose of Schedule and Reporting Entity

The accompanying Schedule of Expenditures of Federal Awards has been prepared to comply with the requirements of OMB Circular A-133. This circular requires a schedule that provides total federal awards expended for each federal program and the Catalog of Federal Domestic Assistance (CFDA) number or other identifying number when the CFDA information is not available.

The schedule includes all federal awards administered by Mississippi County, Missouri, except for the program accounted for in the Mississippi County Port Authority. Federal awards for that fund have been audited and separately reported on by other independent auditors for its years December 31, 2003 and 2002.

B. Basis of Presentation

OMB Circular A-133 includes these definitions, which govern the contents of the schedule:

Federal financial assistance means assistance that non-Federal entities receive or administer in the form of grants, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other assistance, but does not include amounts received as reimbursement for services rendered to individuals . . .

Federal award means Federal financial assistance and Federal cost-reimbursement contracts that non-Federal entities receive directly from Federal awarding agencies or indirectly from pass-through entities. It does not include procurement contracts, under grants or contracts, used to buy goods or services from vendors.

Accordingly, the schedule includes expenditures of both cash and noncash awards.

C. Basis of Accounting

Except as noted below, the schedule is presented on the cash basis of accounting, which recognizes amounts only when disbursed in cash.

Amounts for Immunization Grants (CFDA number 93.268) and the Maternal and Child Health Services Block Grant to the States (CFDA number 93.994) include both cash disbursements and the original acquisition cost of vaccines obtained by the Health Center through the state department of Health and Senior Services.

2. Subrecipient

Of the federal expenditures presented in the schedule, the county provided federal awards to subrecipients as follows:

<u>Federal CFDA Number</u>	<u>Program Title</u>	<u>Amount Provided Year Ended December 31,</u>	
		<u>2003</u>	<u>2002</u>
07	HIDTA		130,532
14.228	Community Development Block Grants/State's Program	255,956	
16.548	Title V Delinquency Prevention Program	129,428	114,997
16.540	Juvenile Justice and Delinquency Prevention- Allocation to States		72,913
16.579	Byrne Formula Grant Program	96,241	166,102
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program	85,445	69,849
93.558	Temporary Assistance for Needy Families	55,856	127,513

FEDERAL AWARDS -
SINGLE AUDIT SECTION

State Auditor's Report



CLAIRE C. McCASKILL
Missouri State Auditor

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the County Commission
and
Officeholders of Mississippi County, Missouri

Compliance

We have audited the compliance of Mississippi County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2003 and 2002. The county's major federal programs are identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the county's management. Our responsibility is to express an opinion on the county's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the county's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the county's compliance with those requirements.

In our opinion, Mississippi County, Missouri, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2003 and 2002. However, the results of our auditing procedures disclosed an instance of noncompliance with those requirements, which is required to be reported in accordance

with OMB Circular A-133 and which is described in the accompanying Schedule of Findings and Questioned Costs as finding number 03-2.

Internal Control Over Compliance

The management of Mississippi County, Missouri, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the county's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

We noted a certain matter involving the internal control over compliance and its operation that we consider a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the county's ability to administer a major federal program in accordance with the applicable requirements of laws, regulations, contracts, and grants. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as finding number 03-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with the applicable requirements of laws, regulations, contracts, and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe that the reportable condition described above is a material weakness.

This report is intended for the information and use of the management of Mississippi County, Missouri; federal awarding agencies and pass-through entities; and other applicable government officials. However, pursuant to Section 29.270, RSMo 2000, this report is a matter of public record and its distribution is not limited.



Claire McCaskill
State Auditor

July 8, 2004 (fieldwork completion date)

Schedule

MISSISSIPPI COUNTY, MISSOURI
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(INCLUDING MANAGEMENT'S PLAN FOR CORRECTIVE ACTION)
YEARS ENDED DECEMBER 31, 2003 AND 2002

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified? yes x no

Reportable conditions identified that are
not considered to be material weaknesses? yes x none reported

Noncompliance material to the financial statements
noted? x yes no

Federal Awards

Internal control over major programs:

Material weaknesses identified? yes x no

Reportable conditions identified that are
not considered to be a material weaknesses? x yes none reported

Type of auditor's report issued on compliance for
major programs: Unqualified

Any audit findings disclosed that are required to be
reported in accordance with Section .510(a) of OMB
Circular A-133? x yes no

Identification of major programs:

<u>CFDA or Other Identifying Number</u>	<u>Program Title</u>
07	HIDTA
14.228	Community Development Block Grants/State's Program
16.548	Title V Delinquency Prevention Program
16.579	Byrne Formula Grant Program
16.580	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program
83.562	Public Assistance Grants
93.558	Temporary Assistance for Needy Families

Dollar threshold used to distinguish between Type A
and Type B programs:

\$300,000

Auditee qualified as a low-risk auditee?

 x yes no

Section II - Financial Statement Findings

This section includes the audit findings that *Government Auditing Standards* requires to be reported for an audit of financial statements.

03-1.

Sales Tax

In April 1996, Mississippi County voters approved a one-fourth of one percent sales tax levy for the purpose of funding senior citizens' services within the county. The sales tax became effective October 1, 1996.

The county imposed this sales tax under Section 67.547, RSMo 2000; however, the county also has another one-half of one percent sales tax levy for the general fund under this law. With this additional senior citizens' sales tax, the county is levying three-fourths of one percent which is apparently above the statutory maximum allowed by Section 67.547. The county needs to review the various sales taxes being imposed to determine which are valid. The county may need to eliminate one of these sales taxes and reallocate the sales tax monies that are being collected.

This condition was noted in our prior audit report. The County Commission indicated they consulted with legal counsel who had no opinion; however, this was not documented.

WE AGAIN RECOMMEND the County Commission review the overall sales taxes being levied and ensure they are in accordance with state statutes.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

The County Commission indicated they feel this is the will of the people; however, they will discuss this with the new Prosecuting Attorney.

Section III - Federal Award Findings and Questioned Costs

This section includes the audit finding that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

03-2.

Schedule of Federal Awards

Federal Grantor:	U.S. Office of National Drug Control Policy
Pass-Through Grantor:	State Department of Public Safety
Federal CFDA Number:	07
Program Title:	HIDTA
Pass-Through Entity	
Identifying Number:	12PMWW609
Award Years:	2002
Questioned Costs:	Not applicable

Federal Grantor:	U.S. Department of Housing and Urban Development
Pass-Through Grantor:	State Department of Health and Senior Services
Federal CFDA Number:	14.228
Program Title:	Community Development Block Grants/State's Program
Pass-Through Entity	
Identifying Number:	ERS045-3167 and ERS045-2167
Award Years:	2003 and 2002
Questioned Costs:	Not applicable

Federal Grantor:	U.S. Department of Justice
Pass-Through Grantor:	State Department of Public Safety
Federal CFDA Number:	16.548
Program Title:	Title V Delinquency Prevention Program
Pass-Through Entity	
Identifying Number:	01-JJT5-03
Award Years:	2003 and 2002
Questioned Costs:	Not applicable

Federal Grantor:	U.S. Department of Justice
Pass-Through Grantor:	State Department of Public Safety
Federal CFDA Number:	16.579
Program Title:	Byrne Formula Grant Program
Pass-Through Entity Identifying Number:	HCD2-041
Award Years:	2003 and 2002
Questioned Costs:	Not applicable

Federal Grantor:	U.S. Department of Justice
Pass-Through Grantor:	Missouri Sheriff's Meth-Amphetamine Relief Team
Federal CFDA Number:	16.580
Program Title:	Edward Byrne Memorial State and Local Law Enforcement Assistance Discretionary Grants Program
Pass-Through Entity Identifying Number:	2002-CKWK0185
Award Years:	2003 and 2002
Questioned Costs:	Not applicable

Federal Grantor:	Federal Emergency Management Agency
Pass-Through Grantor:	State Department of Public Safety
Federal CFDA Number:	83.562
Program Title:	Public Assistance Grants
Pass-Through Entity Identifying Number:	FEMA-1412-DRMO
Award Years:	2003 and 2002
Questioned Costs:	Not applicable

Federal Grantor:	U.S. Department of Health and Human Services
Pass-Through Grantor:	State Department of Social Services
Federal CFDA Number:	93.558
Program Title:	Temporary Assistance for Needy Families
Pass-Through Entity Identifying Number:	A077000510
Award Years:	2003 and 2002
Questioned Costs:	Not applicable

Section .310(b) of Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, requires the auditee to prepare a schedule of expenditures of federal awards (SEFA) for the period covered by the auditee's financial statements. The county was required to submit the schedule of expenditures of federal awards to the State Auditor's office as part of the annual budget.

The county's and the health center's schedules of federal awards omitted several grants for the years ending December 31, 2003 and 2002. Expenditures relating to the following federal grants were not included on the schedules: Community Prosecution and Project Safe Neighborhoods Program \$58,694, Child Care and Development Block Grant \$63,284, Promoting Safe and Stable Families \$250,236, and Social Services Block Grant \$34,315.

The SEFA should be accurately prepared to ensure all federal awards are properly recorded. Without an accurate SEFA, federal financial activity may not be audited and reported in accordance with federal requirements which could result in future reductions of federal funds.

A similar condition was noted in a prior report.

WE AGAIN RECOMMEND the County Commission and Health Center prepare complete and accurate schedules of expenditures of federal awards.

AUDITEE'S RESPONSE AND PLAN FOR CORRECTIVE ACTION

The County Commission indicated this recommendation will be implemented.

The Health Center Administrator indicated the monies not shown on their SEFA were pass-through monies. They will make every effort to ensure the schedule is complete in the future.

Follow-Up on Prior Audit Findings for an
Audit of Financial Statements Performed in Accordance
With *Government Auditing Standards*

MISSISSIPPI COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS FOR AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Mississippi County, Missouri, on the applicable finding in the prior audit report issued for the two years ended December 31, 2001.

01-1. Senior Citizen's Sales Tax

The county was levying three-fourths of one percent sales tax which is apparently above the statutory maximum allowed.

Recommendation:

The County Commission review the overall sales taxes being levied and ensure they are in accordance with state statutes.

Status:

Not implemented. See finding number 03-1.

Summary Schedule of Prior Audit Findings
in Accordance With OMB Circular A-133

MISSISSIPPI COUNTY, MISSOURI
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
IN ACCORDANCE WITH OMB CIRCULAR A-133

The prior audit report issued for the two years ended December 31, 2001, included no audit findings that Section .510(a) of OMB Circular A-133 requires to be reported for an audit of federal awards.

MANAGEMENT ADVISORY REPORT SECTION

Management Advisory Report -
State Auditor's Findings

MISSISSIPPI COUNTY, MISSOURI
MANAGEMENT ADVISORY REPORT -
STATE AUDITOR'S FINDINGS

We have audited the financial statements of various funds of Mississippi County, Missouri, as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated July 8, 2004. We also have audited the compliance of Mississippi County, Missouri, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the years ended December 31, 2003 and 2002, and have issued our report thereon dated July 8, 2004.

Because the Port Authority Board of Trustees is audited and separately reported on by other independent auditors, the related fund is not presented in the financial statements. However, we reviewed that audit report and other applicable information for the years then ended June 30, 2003 and 2002.

In addition, we have audited the operations of elected officials with funds other than those presented in the financial statements to comply with the State Auditor's responsibility under Section 29.230, RSMo 2000, to audit county officials at least once every 4 years. The objectives of this audit were to:

1. Review the internal controls over the transactions of the various county officials.
2. Review compliance with certain legal provisions.

Our methodology to accomplish these objectives included reviewing accounting and bank records and other pertinent documents; interviewing various personnel of the county officials, as well as certain external parties; and testing selected transactions.

In addition, we obtained an understanding of internal controls significant to the audit objectives and considered whether specific controls have been properly designed and placed in operation. However, providing an opinion on internal controls was not an objective of our audit and accordingly, we do not express such an opinion.

We also obtained an understanding of legal provisions significant to the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contract, grant agreement, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting significant instances of noncompliance with the provisions. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion.

Our audit was conducted in accordance with applicable standards contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and included such procedures as we considered necessary in the circumstances.

This Management Advisory Report (MAR) presents any findings arising from our audit of the elected county officials and the county board referred to above. In addition, this report includes any findings other than those, if any, reported in the accompanying Schedule of Findings and Questioned Costs. These MAR findings resulted from our audit of the financial statements of Mississippi County or of its compliance with the types of compliance requirements applicable to each of its major federal programs but do not meet the criteria for inclusion in the written reports on compliance and on internal control over financial reporting or compliance that are required for audits performed in accordance with *Government Auditing Standards* and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

1. Capital Assets

The county has not established a written policy related to the handling and accounting for capital assets. Per Section 49.091, RSMo 2000, the County Commission or its designee is responsible for maintaining a complete detailed record of county property. In addition, Section 49.093, RSMo 2000, provides that the officer or their designee is responsible for performing periodic inventories and inspections. Currently, the County Clerk maintains a master listing of capital assets. The following concerns were noted regarding the capital asset records:

- The county has not performed a physical inventory of their capital assets since June 2002.
- Capital purchases were not recorded on a timely basis. The County Clerk's office currently places copies of all invoices from capital asset purchases in a file, to be posted to the capital asset records; however, numerous invoices had not been posted. In addition, equipment purchases are not reconciled to capital asset additions on a periodic basis.
- No one ensures capital asset purchases made from special revenue funds controlled by the officeholders', such as a fax machine purchased from the Circuit Clerk Interest Fund and a mailing system purchased from the Collector's Tax Maintenance Fund, are included on the listing.

Adequate capital asset records and procedures are necessary to meet statutory requirements, secure better internal controls over county property, and provide a basis for determining proper insurance coverage of county property. Inventories of county property are necessary to ensure the capital asset records are accurate, identify any unrecorded additions and deletions, detect theft of assets, and identify obsolete assets.

WE RECOMMEND the County Commission establish a written policy related to the handling and accounting for capital assets. In addition to providing guidance on accounting and record keeping, the policy should include necessary definitions, address important dates, establish standardized forms and reports to be used, discuss procedures for handling of asset

disposition, and any other concerns associated with county property. In addition, equipment purchases should be reconciled to capital asset additions on a periodic basis.

AUDITEE'S RESPONSE

The County Commission indicated they will implement this recommendation immediately.

2. Statutory Salaries

The county could not provide statutory authority for the salary payments to the County Clerk above the \$37,917 authorized by the Mississippi County Salary Commission. The County Clerk was paid \$48,106 and \$45,706 during the year ended December 31, 2003 and 2002, respectively. Additional compensation represents \$997 per year for acting as secretary for the Johnson Grass Board and \$3,992 per year for acting as secretary for the Road and Bridge Department. In addition, he was paid \$5,200 and \$2,800 as groundskeeper during the year ended December 31, 2003 and 2002, respectively. The County Commission should review this matter with their legal counsel to ensure compliance with state law.

A similar condition was noted in a prior report.

WE AGAIN RECOMMEND the County Commission review this matter with their legal counsel to determine if paying the County Clerk additional salaries is in compliance with RSMo.

AUDITEE'S RESPONSE

The County Commission indicated they will review this matter with the Prosecuting Attorney immediately.

3. Sheriff's Commissary Account
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Inadequate controls and record keeping resulted in a shortage of approximately \$40,925 in the Commissary Account. In addition, it appears monies from commissary and phones sales were not deposited, or the commissary was operating at a significant loss. The Sheriff's office deposited monies for bonds, commissary sales, prepaid phone cards sales, and other miscellaneous reimbursements to the Commissary Account. For the years ended December 31, 2004, 2003, and 2002, commissary deposits totaled approximately \$74,198, \$88,815 and \$109,535, respectively.

- A. Approximately \$40,925 is missing from the Commissary Account. While it appears additional monies may also be missing, the amount cannot be determined due to inadequate records. The following table shows the shortage at December 31, 2004:

Reconciled bank balance	\$ 399
Due to the phone company (see B.1)	(13,335)
Due to county for prisoner board	(1,560)
Due to county (2001 phone commissions)	(3,572)
Due to county (2002 -2004 phone commissions, see B.1)	<u>(22,857)</u>
Shortage	<u><u>\$(40,925)</u></u>

It appears monies from phone or commissary sales were not deposited during the three years ended December 31, 2004:

Total commissary account deposits	\$271,085
Less bond and miscellaneous deposits	<u>(74,550)</u>
Remaining deposits	\$196,535
Less phones sales (per phone reports)	<u>(148,734)</u>
Unidentified deposits	<u><u>\$ 47,801</u></u>

Receipt records did not clearly document what was being deposited. In addition, commissary sales were not recorded. Assuming phone sales were deposited to the account, the remaining deposits would appear to be commissary sales. Estimating a 30% mark up on commissary items, it appears \$87,762 (purchases of \$67,509 times 1.30) in commissary sales should have been deposited; however, unidentified deposits were only \$47,801. It appears significant monies collected were not deposited to the Commissary Account. As noted in MAR finding number 5, it appears \$17,221 in commissary sales monies were not transferred from the Inmate Bank Account at December 31, 2004.

This unidentified difference went undetected due to inadequate controls and records as noted below. The Sheriff should review this situation and take necessary action to recover any missing monies. To adequately safeguard receipts, all monies received should be immediately recorded in the receipt records and deposited. In addition, receipt records should clearly document what is being deposited and be reconciled to the deposits.

- B. At December 31, 2004, approximately \$22,857 was due to the County Treasury for phone commissions and \$13,335 was due to the phone company for the sale of phone minutes to inmates. The following concerns were noted regarding the handling of phone receipts:

- 1) Approximately \$22,857 was due to the county in phone sales commissions. A 30% commission was earned by the county on inmate phone sales per the contract with the phone company. A comparison of the phone sales to amounts disbursed during the years ended December 31, 2004, 2003 and 2002, identified phone commissions due the County Treasury as shown in the following table:

Year Ended	Phone Sales	Disbursed to Phone company	Disbursed to County	Liability
2002	\$37,324	22,020	\$4,000	\$11,304
2003	33,774	28,447	3,630	1,697
2004	<u>77,636</u>	<u>40,312</u>	<u>14,133</u>	<u>23,191</u>
Total	<u>\$148,734</u>	<u>90,779</u>	<u>21,763</u>	<u>36,192</u>

With total phones sales of \$148,734, \$104,114 (70%) should have been disbursed to the phone company, thus they were underpaid \$13,335. The Detention Center did not make any payments to the phone company in November or December 2004. In addition, \$44,620 (30%) should have been disbursed to the County for phone commissions, thus the County was underpaid \$22,857. Due to the undeposited amounts noted in part A above, there were not enough funds in the account at December 31, 2004, to pay these additional amounts to the phone company and the county. Also, \$3,572 in checks from the phone company were deposited to the Commissary Account in January and February 2002, which represent additional commissions due to the county. In prior years, the entire amount collected for phone sales was paid to the phone company and the phone company then issued a check to the county for the commission.

The Jail Assistant indicated the Jail Administrator periodically informed her of the amount to be disbursed to the county for phone commissions. There was no documentation retained to support the amounts disbursed to the county. The Jail Administrator indicated he would simply look at the balance in the account, estimate how much they would need for commissary purchases, and deduct the amount of bonds on hand to determine the amount to be disbursed to the county. The amounts paid to the county were not reconciled to the phone sales reports. In addition, the commissions were not paid to the county on a monthly basis.

To ensure the proper amounts are remitted to the phone company and the County, phone sales reports should be utilized to calculate these amounts. In addition, phone commissions should be transmitted to the County Treasury at least monthly in accordance with Section 50.360, RSMo 2000.

- 2) Prenumbered receipt slips were not issued for the monies received for phone sales. In addition, there was no documentation of the transfer of phone monies between the various jail employees. A request to purchase phone minutes was initially prepared by the inmates and submitted to a jail employee with payment. The request and payment were forwarded to the Assistant Jail Administrator, who was responsible for reconciling the cash to the minutes purchased and posting the requests to the jail phone system which activates the phone minutes and sends the information to the phone company. The Assistant Jail Administrator printed a daily phone report from this system which was transmitted to the Jail Assistant, along with the payments collected, for deposit into the Sheriff's Commissary Account.

There was no documentation indicating monies transmitted to the Jail Assistant for deposit were reconciled with the accompanying phone sales reports. The Jail Assistant indicated she disposed of her copy of the phone sales reports; however, Sheriff's office personnel were able to regenerate these reports.

To adequately safeguard receipts, the Sheriff should ensure prenumbered receipt slips are issued for all phone sales, a documented reconciliation of monies deposited to the phone reports is performed, and the transfer of monies between the various jail employees is adequately documented.

C. The following concerns were noted regarding the operation of the commissary:

- 1) The Detention Center does not have a system for tracking the profit or loss from the sale of commissary items or for recording sales. Detention Center personnel indicated the commissary items were normally sold for \$1. Proceeds from the commissary were deposited to the Commissary Account; however, these monies were commingled with other receipts and not clearly identified. In addition, there were no records of receipts from commissary sales. During the three years ended December 31, 2004, \$67,509 of commissary proceeds were used to replenish the inventory and \$12,696 were used for miscellaneous jail costs (internet services, film, medical supplies, a television, cigarettes, travel expenses, etc.). Assuming a mark up rate of 30%, sales from the commissary should have been approximately \$87,762 (purchases of \$67,509 times 1.30).

During the two years ended December 31, 2003, inmates were allowed to withdraw cash from their inmate account to be used to purchase items from the commissary, thus most commissary sale receipts would be in cash. During the year ended December 31, 2004, the inmates were no longer allowed to have cash and all commissary purchases were handled through their inmate accounts.

To adequately account for activity of the commissary fund, records should be maintained in a manner to allow for tracking of profit and loss on all sales from the commissary. Commissary proceeds represent accountable fees which should be turned over to the County Treasury. Invoices for the replenishment of the commissary inventory and miscellaneous jail costs should be paid by the county treasury.

- 2) The Detention Center does not maintain a running inventory (perpetual inventory) of items purchased from vendors, sold to inmates, and inventory balances.

To ensure commissary items are properly recorded and handled, purchases and sales should be compared with actual inventory on hand. Loss, misuse, or theft of commissary inventory may go undetected without adequate inventory records. In addition, a physical inventory count should be made periodically and reconciled to the inventory balances.

- 3) Of the disbursements noted in C.1. above, one check written in February 2004, was made payable to the Jail Administrator for \$500. The Jail Administrator indicated the withdrawal was made to cover travel expenses of other jail employees; however, documentation was not filed to show who received these monies or how they were spent.

The county's personnel policy requires their employees to file an expense report with the county for all travel related reimbursements with appropriate itemized receipts attached. By paying these expenditures from an account outside the county treasury, expenditures are made outside the normal county review process. Adequate documentation should be maintained for all disbursements, and employees should be required to account for their travel expense advances. In addition, travel expenses should be paid through the county treasury in compliance with county policy.

- D. Deposits were not made intact on a timely basis. Deposits were made once per week with the average deposit being approximately \$1,200 with approximately 25% in cash. In addition, monies on hand were not maintained in a secure location until deposited. The Jail Assistant indicated that jail personnel would sometimes place cash receipts in her office when she was not there. These monies would sometimes be left unattended on a chair in an unlocked office while the door was open. Detention Center personnel indicated a petty cash fund was maintained; however, no records were ever produced. In addition, one check written in July 2002 for \$300, was made payable to Mississippi County Detention Center and the ledger indicated it was to "make change".

Due to the significant amount of cash receipts and to adequately account for all receipts and reduce the risk of loss or misuse, receipts should be deposited intact daily or upon accumulation of \$100. If a petty cash fund or change fund is needed, they should be set at a constant amount and the appropriate records maintained. In addition, monies should be promptly recorded in the receipt records and maintained in a secure location prior to deposit.

- E. The dispatchers collect bonds for various entities including the Mississippi County Circuit Court. Prenumbered receipt slips were issued for bond monies received. Bonds collected for other entities were deposited into the Commissary Account and then disbursed by check to the entity. Bonds collected for Mississippi County were transmitted directly to the Circuit Clerk's office by the Jail Assistant, and the Sheriff's receipt slips were signed by the Circuit Clerk's office employees to indicate their receipt of these monies. The following concerns were noted regarding bonds:

- 1) Bond records were not adequate to allow the disposition of the bond to be readily determined. The bond receipt slips did not clearly indicate the entity for which the bond was collected or the disposition of the bond. Mississippi County bonds would be transmitted to the Circuit Clerk for deposit, whereas, bonds for other entities should be deposited into the Commissary Account and then disbursed to the entity by check. Circuit Clerk's office personnel signed the Detention Center's receipt slips to indicate their receipt of the bond; however, some bond receipt slips which were signed by the Circuit Clerk's office personnel could not be traced to the Circuit Clerk's records (see MAR finding number 7), and some which were not signed by the Circuit Clerk's office personnel were receipted in the Circuit Clerk's records. In addition, the bonds to other entities could not be readily traced to a deposit.

To adequately safeguard receipts the Detention Center should clearly document on the receipt slip the entity for which the bond was collected and the disposition of the bonds by noting the check number used to disburse the monies. In addition, bond receipts should be clearly documented on the deposit slips to ensure all bonds collected for other entities were properly deposited. The Detention Center should also ensure receipt slips are signed by the Circuit Clerk's office for all monies transmitted.

- 2) Bond forms were not used by the Detention Center for some bonds. A prenumbered receipt slip was issued; however, pertinent bond information such as an address, telephone number, and the court's name and address was not documented on the receipt slip. For some bonds collected, the bond receipt slip was the only record maintained by the Detention Center, thus making it difficult to determine the disposition of the bond.

To adequately account for the disposition of bonds collected, bond forms should be issued and a copy retained for all bond monies received.

- 3) There was no oversight or adequate segregation of duties over bonds. The Jail Assistant was responsible for recording the bond receipts, preparing the deposit, and disbursing the bonds to the various courts. Bonds were collected by the dispatchers, who issued a prenumbered receipt slip and prepared a bond form. The bond monies and the bond form were placed in an envelope and dropped into a locked box. The Jail Assistant retrieved the envelopes from the locked box, reconciled the bond monies to the bond forms, transmitted the Mississippi County bonds to the Circuit Clerk's office, deposited the bonds for other entities into the Commissary Account and then disbursed these bonds to the appropriate entity. No one performed a supervisory review of her work.

To safeguard against possible loss or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, depositing, recording, and disbursing bond monies. If proper segregation of duties cannot be achieved, at a minimum there should be a supervisory review of the reconciliation between receipt slips issued and amounts transmitted/deposited.

WE RECOMMEND the Sheriff:

- A. Review this situation and take necessary action to recover the missing monies. In addition, all monies received should be immediately recorded in the receipt records and deposited. Also, receipt records should clearly document what is being deposited and be reconciled to the deposits.
- B.1. Ensure phone commissions are paid to the county and agree with the phone sales reports.
2. Ensure prenumbered receipt slips are issued for all monies received, a documented reconciliation of phone sales reports to monies deposited is performed, and the transfer of monies between the various jail employees is adequately documented.
- C.1. Develop records to adequately track profits or losses on the commissary operations and turn all profits over to the County Treasurer as accountable fees. In addition, invoices for the replenishment of the commissary inventory and other miscellaneous purchases should be paid by the county.
2. Ensure perpetual inventory records are maintained and are periodically reconciled to a physical inventory.

3. Disburse all commissary monies to the county, and ensure all jail expenses are paid through normal county procedures. In addition, all travel related expenses should be submitted to the county for payment as required by policy.
- D. Ensure deposits are made daily or when receipts exceed \$100 and monies on hand are maintained in a secure location until deposited.
- E.1. Ensure bond records are adequate to allow the disposition of bonds to be readily determined.
2. Utilize a bond form for all bonds received and ensure sufficient bond information is recorded, such as a bond number, the owner's name, address, telephone number, and court name and address.
3. Segregate the duties of receiving, depositing, recording, and disbursing bond monies.

AUDITEE'S RESPONSE

The new Sheriff and new Jail Administrator indicated:

A. They will review this situation and take necessary action, and the remaining recommendations have already been implemented.

B.1,C.1

C.3,D

&E.3. These recommendations have already been implemented.

B.2. A documented reconciliation of phone sales reports to monies deposited is already being performed, and the remaining recommendations will be implemented immediately.

C.2. They have begun maintaining a perpetual inventory, and will begin doing a physical inventory periodically.

E.1.

&E.2. These recommendations will be implemented immediately.

The former Sheriff and former Jail Administrator indicated:

A. They contacted the Missouri State Highway Patrol the day after the auditors informed them that some bond monies appeared to be missing (July 22, 2004). They have not contacted them regarding the commissary shortage, but agree an investigation should be performed.

The former Jail Administrator indicated:

B-E. They implemented some of these recommendations, such as clearly documenting the deposits, when originally discussed with the auditors.

C.3. The jail employees submitted their invoices for this trip and returned the unused monies after this was originally discussed with the auditor.

The County Commission indicated:

They believe the account is short approximately \$25,000. Several changes have been made with the new administration. All commissary purchases are now made through the County Treasurer and the jail has gone to a "cashless" basis (no longer accept cash or make cash disbursements).

4. Detention Center's Accounting Controls and Procedures

Adjustments made to board billings and the reasons for the adjustments were not adequately documented. As a result, the billing amounts were not always properly supported. During the years ended December 31, 2003 and 2002, the county collected approximately \$1,272,570 and \$1,302,990, respectively, in board bills for housing prisoners of other entities.

To ensure efficient use of county resources adjustments to board bills, if necessary should be clearly documented with a valid purpose noted.

WE RECOMMEND the Sheriff ensure reasons for adjustments to board bills are clearly documented.

AUDITEE'S RESPONSE

The new Sheriff and new Jail Administrator indicated this recommendation has already been implemented.

The former Sheriff and former Jail Administrator indicated:

They agree with this recommendation.

5. Sheriff's Inmate Account

The Inmate bank account was not reconciled with the individual inmate balances, the transmittal of monies between the mail clerk and the account custodian was not clearly documented, there was no documentation to support three checks payable to the Jail

Administrator totaling \$1,347 and the Sheriff's office had not established procedures to routinely follow up on outstanding checks.

The Detention Center received personal monies for inmates which were deposited to the Inmate Account and credited to the inmates' accounts or disbursed to the inmates in cash. These monies were used to purchase food and personal items for the prisoners from the commissary and phone minutes. The following concerns were noted regarding the Inmate Account:

- A. The Inmate bank account was not reconciled with the individual inmate account balances. For the years ended December 31, 2004, 2003, and 2002 total deposits were approximately \$134,000, \$66,900, and \$70,400 and the balance in the account at December 31, 2004, was approximately \$20,968. A computer program is used to track the inmates' deposits, purchases, and current balances. This program can also generate a report listing all balances; however, this report was not used during the audit period. At December 31, 2004, open inmate accounts totaled approximately \$3,747 per this report. The Detention Center did not disburse any inmate monies to the Commissary Account in November or December 2004, thus it appears approximately \$17,221 (\$20,968 less \$3,747) is due to the Commissary Account.

To ensure proper accountability over inmate monies, and improve the likelihood of identifying and correcting errors in a timely manner, the individual inmate account balances should be compared to the reconciled bank balance on a monthly basis. Any discrepancies should be followed up on and resolved.

- B. Prenumbered receipt slips were not issued for monies received. In addition, the transfer of monies between the mail clerk and the account custodian was not clearly documented. Cash, checks, and money orders were received on behalf of the inmates. A mail log was prepared by the mail clerk for payments received through the mail and submitted to the account custodian with the monies received. The account custodian did not issue a receipt slip to the mail clerk for monies received or sign the mail log to indicate receipt of these monies.

To ensure receipts are accounted for properly, prenumbered receipt slips should be issued for all monies received. In addition, to adequately safeguard receipts, the Detention Center should implement procedures to document the transmittal of the mail receipts to the account custodian.

- C. There was no documentation to support three checks made payable to the Jail Administrator totaling \$1,347, issued in March and April 2002. The Jail Assistant indicated the withdrawals were made to cover "vending reimbursements", however supporting documentation was not retained to ensure validity and propriety of these expenditures. Additionally, on one of these checks, it appears the check was redeposited to the inmate bank account and cash was withheld.

To ensure validity and propriety of expenditures, adequate supporting documentation, including acknowledgment that specific goods and/or services were in fact received, should be maintained for all disbursements.

- D. Monies were disbursed to inmates in cash during the two years ended December 31, 2003. Entries on the Inmate Bank Report often indicated a receipt and disbursement on the same line and only the net of these traced to a deposit slip. In December 2003, the Inmate Bank Report indicated approximately \$12,550 was received on behalf of inmates and \$11,700 was disbursed to inmates; however, only \$7,500 was handled through the bank account. During 2004, this practice was ceased. To ensure monies are accounted for properly, all monies should be deposited to the Inmate Account and disbursed by check.

WE RECOMMEND the Sheriff:

- A. Ensure the individual prisoner account balances are reconciled to the reconciled bank balances of the Inmate Account on a monthly basis.
- B. Ensure prenumbered receipt slips are issued for all monies received and the transfer of monies between the mail clerk and the account custodian is clearly documented.
- C. Ensure vendor invoices or other supporting documentation is maintained for all disbursements.
- D. Ensure all monies received are deposited to the Inmate Bank Account and disbursed by check.

AUDITEE'S RESPONSE

The new Sheriff and new Jail Administrator indicated these recommendation have already been implemented.

The former Jail Administrator indicated:

- A. *They were not able to generate the open items listing until the fall of 2003.*
- D. *This recommendation was implemented in February 2004.*

6. Detention Center Payroll

The Detention Center spent excessive amounts of overtime costs on prisoner transportation services that were not recouped through their contracts for board of prisoners, accurate timesheets were not reported to the county, payroll duties were not adequately segregated, and overtime compensation was not paid according to policy. Our review of the Detention Center's controls over payroll expenditures revealed the following concerns:

- A. The Detention Center spent excessive amounts on overtime for prisoner transportation services that were not recouped through their contracts for board of prisoners. For the years ended December 31, 2003 and 2002, overtime costs were approximately \$66,900 and \$42,000, respectively. The Jail Administrator indicated the cause for the excess costs was due to an increase in the number of staff needed to transport prisoners housed at their facility under contracts with the INS, cities, and other counties. However, the contracts with these entities specifically indicate the county will not be responsible for transportation costs. While these additional expenses may be necessary, transportation services should be incorporated into the agreements with the entities receiving services.

The Jail Administrator and County Commission should review current contracts and procedures regarding transportation costs to ensure the county is adequately recouping transportation costs incurred under these contracts.

- B. Salary payments did not agree to time records for some employees. The reasons for the adjustments or differences was not documented, as noted below:

- One employee was paid for ten hours more than recorded on his timecard or timesheet.
- Another employee's hours were changed from sick leave to regular time, thus this amount was not deducted from their accumulated leave. The Jail Administrator indicated he had adjusted the sick leave hours because he was unaware when this employee had taken leave. However, the timesheet was prepared and signed by the employee.
- Employees were not consistently paid for holidays.
- Two employees were paid overtime which was not reflected on their time card or the work schedule.
- Some officers were paid overtime hours prior to satisfying the 171 hour rule required by county policy.

The Fair Labor Standards Act (FLSA) requires employers to keep accurate records of actual time worked by employees including overtime and compensatory time earned, paid and taken. The county has a policy for earning such time, including paid holidays and sick leave; however, without adequate documentation of adjustments it cannot be determined whether amounts paid were in compliance with county policy. Effective reviews of the time cards are essential to ensure that all employees are paid the appropriate amount based on the number of hours worked.

- C. There is no segregation of duties over payroll and personnel changes at the Detention Center. The Jail Administrator approved timesheets, new hires, promotions, and terminations.

When the individual with the authority to hire and promote is the same individual responsible for ensuring leave and/or time is entered or submitted, it produces an environment for possible misuse of funds through the creation of fictitious employees. To safeguard against this possibility, it is necessary to segregate these two functions.

WE RECOMMEND the County Commission and Detention Center:

- A. Review prisoner board contracts to ensure the county recoups any transportation costs incurred.
- B. Ensure amounts paid agree to the time records and are in compliance with county policy. In addition, any adjustments to time records should be clearly documented.
- C. Ensure adequate segregation of duties exists between payroll and personnel changes.

AUDITEE'S RESPONSE

The new Sheriff and new Jail Administrator indicated:

A,B

&C. These recommendations have already been implemented.

The former Jail Administrator indicated:

- B. The 171 hour rule was corrected immediately. There were only a few employees with regular overtime. He would go ahead and pay it because they were going to have overtime at the end of the 171 hour time period.*

7. Circuit Clerk's Accounting Controls and Procedures
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The Circuit Clerk's office cannot properly account for approximately \$1,586 in bonds, duties are not adequately segregated, and the Circuit Clerk does not have adequate procedures to monitor and ensure monies in her bank accounts are sufficiently collateralized.

- A. Three bonds totaling \$1,586 cannot be accounted for properly. The receipt slips issued by the sheriff's department were signed by a circuit clerk employee indicating receipt of the bond; however, these bonds were not receipted by the circuit clerk's

office and could not be located in their system (see MAR finding number 3). In addition, the case file and ticket information for these bonds could not be located by the Circuit Clerk's office; however, the Detention Center was able to locate the bond form for one of these bonds.

To adequately account for all bonds received, prenumbered receipt slips should be issued immediately upon receipt for all bonds received by the circuit clerk's office from the sheriff's office. In addition, circuit clerk personnel should reconcile amounts received to the documents submitted by the sheriff's office.

- B. There is no oversight or adequate segregation of duties for fees and fines collected. The circuit clerk and each of the deputies perform duties of receiving and recording receipts. The Circuit Clerk and one deputy reconcile the monies to receipt records, prepare deposits, and reconciles the bank accounts, in addition to receiving and recording monies. The Circuit Clerk does not review the work of her employees. In addition, manual receipt slips issued were not reconciled with the daily cashier reports and employees do not lock their desk drawers when away from their desks for long periods of time.

To safeguard receipts and reduce the risk of loss, theft, or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls could be improved by an independent documented review of receipt slips issued to amounts deposited and of the bank reconciliation.

- C. The Circuit Clerk has not established adequate procedures to ensure bank accounts are sufficiently collateralized. The amount of collateral securities pledged by the Circuit Clerk's depository bank at December 31, 2002 was insufficient by approximately \$1,058 to cover deposits of the Circuit Clerk.

Section 483.312, RSMo 2000, requires the value of securities pledged by banks holding circuit court funds shall at all times be not less than 100 percent of the actual amount on deposit less the amount insured by the FDIC. Inadequate collateral securities leave Circuit Clerk funds unsecured and subject to loss in the event of bank failure.

To ensure sufficient collateral securities are pledged, the Circuit Clerk should enter into depository agreements with the banks to require collateral securities to be pledged whenever balances exceed FDIC coverage. In addition, total amounts on deposit should be routinely monitored to ensure amounts pledged are sufficient.

WE RECOMMEND the Circuit Clerk:

- A. Investigate the missing bond monies and take appropriate action. Establish procedures to record and account for all bond monies received from the sheriff's department by issuing a prenumbered receipt.
- B. Ensure accounting duties of receipting, depositing, and disbursing monies are adequately segregated. At a minimum, there should be a documented supervisory review of receipt slips issued to amounts deposited and of the bank reconciliation. In addition, receipts should be properly accounted for and stored in a secure location.
- C. Establish procedures to monitor and ensure adequate collateral securities are pledged at all times.

AUDITEE'S RESPONSE

The Circuit Clerk indicated:

- A. *She contacted the Missouri State Highway Patrol sometime in September 2004 and requested they investigate these missing bonds. She is now the only person with a key to the bond box. In addition, all bonds are done by money order payable to the court.*
- B. *This recommendation has already been implemented.*
- C. *This recommendation will be implemented immediately.*

8. Ticket Accountability

The Prosecuting Attorney's office does not account for the numerical sequence of tickets received. Three tickets issued by the Sheriff's department could not be traced to the Prosecuting Attorney's or the Circuit Clerk's records. The Sheriff maintains a ticket log of all tickets issued and copies of the tickets issued are attached. The Prosecuting Attorney's office also maintains a record of the tickets received; however, these records were not reviewed for missing tickets.

Without a proper accounting for the numerical sequence and ultimate disposition of tickets, the Prosecuting Attorney cannot be assured that all tickets issued were properly submitted for processing. A record should be maintained accounting for the ultimate disposition of each ticket to ensure all tickets have been accounted for properly.

WE RECOMMEND the Prosecuting Attorney work with the Sheriff's office to ensure records are maintained to account for the numerical sequence and ultimate disposition of all tickets issued.

AUDITEE'S RESPONSE

The Prosecuting Attorney indicated this recommendation will be implemented within the next three months.

9. Prosecuting Attorney's Accounting Controls and Procedures

Accounting and bookkeeping duties were not adequately segregated, an adequate system to account for all bad checks received by the Prosecuting Attorney's office as well as the subsequent disposition of those bad checks had not been established, bad check complaints and payments were not processed in a timely manner, and receipts were not deposited on a timely basis.

The Prosecuting Attorney's Office collects bad check restitution and fees. The Prosecuting Attorney requires restitution and fees be paid using two money orders, one payable to the merchant for restitution and the other payable to the Prosecuting Attorney for the collection fee.

- A. Accounting and bookkeeping duties were not adequately segregated. One individual was responsible for receiving, depositing, and disbursing bad check monies. This individual also prepared the monthly bank reconciliations and maintains the accounting records for the bad check account.

Proper segregation of duties helps ensure that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by segregating the duties of receiving, depositing, and disbursing bad check monies. If proper segregation of duties cannot be achieved, at a minimum, periodic supervisory reviews of the bank reconciliations should be performed and documented.

A similar condition was noted in a prior report.

- B. An adequate system to account for all bad checks received by the Prosecuting Attorney's office as well as the subsequent disposition of those bad checks had not been established. To ensure all bad checks turned over to the Prosecuting Attorney are handled and accounted for properly, a sequential number should be assigned to each bad check complaint received and a log maintained showing each bad check and its disposition. The log should contain information such as the assigned number, the merchant, the issuer of the check, the amount of the check, the amount of the bad check fee, and the disposition of the complaint, including date payment was received and transmitted to the merchant or the criminal case in which charges were filed or other disposition.

- C. Bad check complaints and payments were not always processed in a timely manner. The average processing time for bad check complaints was 86 days and 26 days during the years ended December 31, 2003 and 2002, respectively. Currently these duties are the responsibility of one part time employee who only works one day of each week.

To safeguard receipts and reduce the risk of loss, theft, or misuse of funds, internal controls should provide reasonable assurance that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by processing the bad check complaints and payments in a timely manner.

- D. Receipts were not deposited on a timely basis. Deposits were made approximately once every three months with average receipts of approximately \$1,000. On June 14, 2004, \$1,645 in checks were on hand. One of these checks had been received in April and the rest in May. In addition, checks and money orders are not immediately endorsed upon receipt. To adequately safeguard receipts and to reduce the risk of loss, theft or misuse of funds, all receipts should be deposited intact daily or when accumulated receipts exceed \$100 and checks and money orders should be endorsed immediately upon receipt.

WE RECOMMEND the Prosecuting Attorney:

- A. Ensure adequate segregation of duties exists between accounting and bookkeeping duties to the extent possible. At a minimum, the Prosecuting Attorney should perform documented reviews of the work performed.
- B. Implement procedures to adequately account for bad checks received, as well as the ultimate disposition through the use of sequential numbers assigned to each bad check complaint form or bad check received and a log to account for the numerical sequence and disposition of each bad check.
- C. Ensure bad check complaints and payments are processed on a timely basis.
- D. Deposit all monies intact daily or when accumulated receipts exceed \$100, and ensure checks and money orders are endorsed immediately upon receipt.

AUDITEE'S RESPONSE

The Prosecuting Attorney indicated:

- A. *This recommendation will be implemented immediately.*
- B&C. *These recommendations have already been implemented.*
- D. *They will attempt to do this on a more timely basis.*

10.**Recorder of Deeds' Accounting Controls and Procedures**

The Recorder of Deeds does not have current written contracts for providing copy services, and the method of payment is not indicated in the Recorder's accounting records.

- A. The Recorder of Deeds does not have current written agreements for providing copies to abstract companies. In addition, various rates are charged for these services. The amounts billed each year to two abstract companies were approximately \$480 and \$538. The Recorder indicated they have always billed one abstract company at a flat monthly rate of \$40, while the other company is billed \$40 per month plus \$.50 per copy which is based upon mutual understanding established several years ago. In addition, only one of the abstract companies has a contract with the county for copying services which had not been updated since 1996.

Section 432.070, RSMo 2000, requires all county contracts to be in writing. Written contracts are necessary to outline the terms of arrangements, specify services to be provided and the related funding, and help ensure reasonableness and propriety of such expenditures. In addition, the current Recorder of Deeds and County Commission should develop written procedures dictating how copies of recorded documents will be sold and the amount that will be charged to ensure consistent treatment to all title companies.

- B. The Recorder accepts cash, checks and money orders for the payment of fees; however, the method of payment received was not recorded in the accounting records. As a result, the composition of receipts could not be reconciled to the composition of deposits. To ensure all receipts are properly accounted for and deposited, the method of payment received should be recorded in the accounting records, and the composition of monies received should be reconciled to the composition of the deposits.

WE RECOMMEND the Recorder of Deeds:

- A. Enter into written contracts that specifically state the services to be provided and the fees to be collected for the services rendered. In addition, the Recorder of Deeds and the County Commission should develop written procedures dictating how copies of recorded documents will be sold and the amount that will be charged.
- B. Indicate the method of payment received in the accounting records and reconcile the composition of monies received to the composition of the bank deposits.

AUDITEE'S RESPONSE

The Recorder of Deeds indicated:

- A. She is currently considering updating her system. This issue will be addressed after implementation of the new system.*
- B. This recommendation has been implemented.*

11. Collector's Accounting Controls and Procedures

The Collector does not refund tax overpayments from the partial payment account on a timely basis. In addition, the method of payment is not always indicated on tax receipts.

- A. A separate bank account is maintained by the Collector to collect and hold partial payments on property taxes. As of December 31, 2003, there was approximately \$1,750 held by the Collector which represented overpayments on behalf of various taxpayers. Some of these overpayments date back to 1996.

These old balances create additional and unnecessary record-keeping responsibilities. The Collector should adopt procedures to routinely follow up on old overpayments and disburse these monies if the owners can be located. If the owners cannot be located or identified, these monies should be disposed of in accordance with state law.

- B. The Collector accepts cash, checks and money orders for payment of property taxes. The method of payment is not always indicated on the tax receipts, as a result the composition of the tax receipts could not be reconciled to the composition of deposits.

To properly reconcile receipts to the deposits and ensure all monies are being deposited intact, the method of payment should be indicated on all tax receipts and reconciled to the amounts deposited.

WE RECOMMEND the Collector:

- A. Establish procedures to routinely follow up on and disburse outstanding overpayments. If the owners cannot be located, these monies should be disposed of in accordance with state law.
- B. Ensure the method of payment received is indicated on the tax receipts and reconcile the composition of the receipt monies to the composition of the bank deposits.

AUDITEE'S RESPONSE

The Collector indicated:

- A. She is in the process of implementing this recommendation.*
- B. This recommendation will be implemented within the next three months.*

12. Health Center

The Health Center has not established adequate procedures to ensure bank accounts are sufficiently collateralized. In addition, accounting duties are not adequately segregated, receipt slips are not issued in sequential order, deposits are not made timely, and employee leave balances are not adequately monitored.

- A. The Health Center has not established adequate procedures to ensure bank accounts are sufficiently collateralized. The amount of collateral securities pledged by the Health Center's depository bank at January 31, 2003 and December 31, 2002, was insufficient by approximately \$ 37,890 and \$490, respectively, to cover monies in the Health Center's custody.

Section 483.312, RSMo 2000, requires the value of securities pledged by banks holding the Health Center's funds shall at all times be not less than 100 percent of the actual amount on deposit less the amount insured by FDIC. Inadequate collateral securities leave the Health Center's funds unsecured and subject to loss in the event of bank failure.

To ensure sufficient collateral securities are pledged, the Health Center should enter into depository agreements with the banks to require collateral securities to be pledged whenever balances exceed FDIC coverage. In addition, total amounts on deposit should be routinely monitored to ensure amounts pledged are sufficient.

- B. Accounting duties are not adequately supervised. The duties of receiving, recording and depositing monies are all performed by the office secretaries, however transactions are not reviewed for accuracy by a supervisor. In addition, the same person that records and updates the Capital Asset records also performs the annual inventory of these assets. There was no indication that supervisory reviews were performed to ensure all transactions were accounted for properly and assets were adequately safeguarded.

Proper segregation of duties helps ensure that all transactions are accounted for properly and assets are adequately safeguarded. Internal controls would be improved by supervising the duties of receiving, recording, accounting for the numerical sequence of receipt slips, and depositing monies. If segregation of duties is not

possible, at a minimum there should be an independent documented review of the bank reconciliation. In addition, periodic reviews of the inventory records should be performed by someone other than the individual who maintains the fixed asset records.

- C. Deposits are not made timely and checks are not immediately endorsed upon receipt. Deposits were made approximately once a week with an average deposit of \$22,000. In addition, receipt slips are not issued in sequential order. To reduce the risk of loss or misuse of funds, receipt slips should be issued in sequential order, checks should be restrictively endorsed upon receipt, and deposits should be made daily or when receipts exceed \$100.
- D. The Health Center does not adequately monitor vacation, sick, and compensatory leave balances of their employees. Leave records did not agree with time sheets for some health center employees. One employee used 14.5 hours of annual leave which was not deducted from their leave balance. In addition, overtime and compensatory time was not earned at time and a half for covered employees as required. The Health Center's policy indicates compensatory time will be granted at straight time instead of at time and a half; however, the Health Center cannot document how their policy complies with the Fair Labor Standards Act (FLSA).

The FLSA requires employers to keep accurate records of actual time worked including leave earned or taken and it also requires that all covered employees working overtime are entitled to time and one-half in wages or in compensatory time. Accurate records of leave and compensatory time are necessary to ensure compliance with FLSA and to ensure employees are properly compensated for leave earned.

WE RECOMMEND the Health Center:

- A. Develop procedures to monitor and ensure adequate collateral securities are pledged at all times.
- B. Ensure accounting duties are adequately supervised and periodic supervisory reviews are performed and documented.
- C. Ensure deposits are made timely, checks are restrictively endorsed upon receipt, and receipt slips are issued in sequential order.
- D. Ensure that employee leave earned, taken, and the accumulated balances are reported accurately. In addition, overtime and compensatory time should be paid or accumulated in accordance with FLSA requirements.

AUDITEE'S RESPONSE

The Health Center Administrator indicated:

A. This recommendation will be implemented immediately.

B,C

&D. These recommendations have been implemented.

13. Senate Bill 40 Board

The SB40 Board does not maintain minutes of their board meetings, adequate records were not kept on investments held by the board and budgets are not prepared in accordance with state law, as significant cash reserves are not reflected.

- A. The SB40 Board does not maintain minutes of their board meetings. The Board president indicated they do not meet on a regular basis and did not know how often they had met. Section 610.020, RSMo 2000, requires minutes of open meetings to be taken by the public governmental body and notice given as to the time, date, and place of the meeting.
- B. A detailed investment ledger was not maintained by the board to monitor certificate of deposit investments. In addition, year end balances did not agree with records kept by the Board Treasurer. The Board Treasurer simply keeps a running total of the certificates but did not compare book to bank records. Complete, organized investment records are necessary to provide accurate and timely financial information upon which effective management decisions may be based. Furthermore, without such records, accountability over the board's assets and related revenues is weakened.
- C. The SB40 Board has accumulated a significant cash reserve which is not properly reflected on their annual budget. In addition, the budget does not indicate the Board's plans for this balance. The SB40 Board does not reflect their certificates of deposit on their budget, which understated their cash balance by \$1,074,989 and \$923,818 for the years ended December 31, 2003 and 2002, respectively. The SB40 Board had a cash balance of \$1,170,339 and \$1,061,376 at December 31, 2003 and 2002, respectively, with such balances increasing throughout the years. The Board Treasurer indicated excess reserves were set aside for future plans to purchase a group home, however such plans are not clearly documented.

Chapter 50, RSMo 2000 requires the preparation of annual budgets for all funds which should present a complete financial plan for the ensuing year. Accurate and complete budgets, in addition to meeting statutory requirements, can serve as a means to evaluate financial resources and effectively monitor actual costs by periodically comparing budgeted costs to actual expenditures. To ensure the adequacy of the

budget as a planning tool, the Board should ensure all available resources are reflected. In addition, the SB40 Board should determine its future needs, and consider such information when setting future tax levies.

WE RECOMMEND the SB40 Board Trustees:

- A. Ensure minutes are prepared, approved and maintained for all meetings, including closed meetings, and committee meetings.
- B. Ensure an investment ledger is maintained.
- C. Prepare budgets in accordance with state law and ensure all available resources of the board are reported. In addition, the Board should review the cash balance and consider reducing the property tax levy. If plans have been made for expending the accumulated fund balance, such plans should be set forth publicly in the budget document.

AUDITEE'S RESPONSE

The Board President and Treasurer indicated these recommendations would be implemented within the next six months.

Follow-Up on Prior Audit Findings

MISSISSIPPI COUNTY, MISSOURI
FOLLOW-UP ON PRIOR AUDIT FINDINGS

In accordance with *Government Auditing Standards*, this section reports the auditor's follow-up on action taken by Mississippi County, Missouri, on findings in the Management Advisory Report (MAR) of the audit report issued for the two years ended December 31, 1999.

The prior recommendations which have not been implemented, but are considered significant, are repeated in the current MAR. Although the remaining unimplemented recommendations are not repeated, the county should consider implementing those recommendations.

1. Budgetary Practices

- A. Warrants were issued in excess of approved budgeted expenditures.
- B. Formal budgets were not prepared for various county funds.
- C. Public hearings were not held prior to the adoption of some of the budget amendments. In addition, prior to amending these budgets, the expenditures of some funds exceeded the original budgets.

Recommendation:

The County Commission:

- A. Not authorize warrants in excess of budgeted expenditures. Extenuating circumstances should be fully documented and, if necessary, the budgets properly amended following the same process by which the annual budget is approved, including holding public hearings and filing the amended budget with the State Auditor's Office.
- B. Ensure budgets are obtained or prepared for all county funds.

The County Commission and Health Center Board of Trustees:

- C. Ensure budget amendments are made prior to incurring the actual expenditures and hold public hearings prior to adopting budget amendments as required by state law.

Status:

- A. Partially implemented. The county has made some improvement in this area, expenditures exceeded budgeted amounts for only one fund in 2003 and one fund in 2002. Although not repeated in the current report, our recommendation remains as stated above.

B&C. Implemented.

2. County Expenditures

- A. The following concerns were noted with respect to mileage claims filed by the County Assessor:
 - 1) Requests submitted by the Assessor did not include the nature of business, trip origin, or locations traveled.
 - 2) The county paid the Assessor for mileage to Cape Girardeau to purchase office supplies. Similar supplies could have been purchased from local sources.
 - 3) The county reimbursed mileage to the Assessor for several trips out of the county that were not approved prior to the travel. In addition, the mileage reimbursement claims were prepared quarterly by the Assessor, thus they were not submitted within the ten days required by the travel policy.
- B. The County Commission approved some payments to vendors without requiring the office holder to acknowledge receipt of goods or services by initialing the invoice.
- C. Procedures have not been established to ensure IRS regulations are followed for reporting taxable fringe benefits.
- D. The county did not enter into agreements with the cities of East Prairie and Charleston documenting the services and costs to be provided by each entity for the local 911 system.

Recommendation:

The County Commission:

- A.1. Ensure mileage claims include all destinations and nature of business.
 - 2. Ensure all mileage reimbursements are a prudent use of county funds.
 - 3. Enforce all travel policy stated in the county personnel manual.
- B. Require acknowledgement of goods and services prior to payment.
- C. Ensure the county complies with IRS guidelines for reporting fringe benefits related to county-owned vehicles.

- D. Enter into written agreements with the cities of East Prairie and Charleston regarding the local 911 system.

Status:

A,B

&D. Implemented.

- C. Not implemented. Mileage logs are maintained on county vehicles provided to the county employees within the Road and Bridge and Sheriff departments, however personal miles are not tracked and reported for the jail administrator or the road and bridge supervisor as required by Internal Revenue Service (IRS) guidelines. Although not repeated in the current report, our recommendation remains as stated above.

3. Statutory Salaries

In 1999, raises were granted to officials in the middle of their term.

Recommendation:

The County Commission consult with legal counsel regarding past and current actions of the salary commission and pay only the authorized salary set by the salary commission. The salary commission should ensure that its actions are clearly understandable to all officials as well as county taxpayers.

Status:

Partially implemented. No problems were noted during the two years ended December 31, 2003; however, no action was taken regarding the 1999 raises. On May 15, 2001, the Missouri Supreme Court handed down an opinion in a case that challenged the validity of the statute granting mid-term raises to the Associate Commissioners in 1999. The Supreme Court held that this section of the statute violated Article VII, Section 13 of the Missouri Constitution, which specifically prohibits an increase in compensation for state, county, and municipal officers during the term of office. This case, *Laclede County v. Douglas et al.*, holds that all raises given pursuant to this statute section are unconstitutional. On June 5, 2001, the State Auditor notified all third class counties of the Supreme Court decision and recommended that each county document its review of the impact of the opinion, as well as plans to seek repayment. The county has not documented its review of the impact of the Supreme Court decision.

During the 1997 salary commission meeting, a motion was made and passed to set salaries of all elected officials at 90 percent of the maximum scale effective January 1, 1999. As a result, all elected officials were given a salary increase mid-term. The Assessor's term began September 1, 1997, prior to the 1997 salary commission meeting, thus his salary was set at

100% (as set by the 1991 salary commission) of the new scale. The 1991 salary commission minutes did not address salary adjustments due to changes in the scales and a legal opinion was not obtained.

Based upon the Supreme Court decision, the raises given to each of the Associate County Commissioners, totaling \$10,144 for the two years ended December 31, 2000, should be repaid. As a result of the Supreme Court decision, the salary commission should reevaluate the decision to give mid-term salary increases to all officials.

4. Sheriff's Accounting Controls and Procedures

- A. Accounting duties related to the jail were not adequately segregated.
- B. Receipt slips issued by the Sheriff's Jail Department were not prenumbered.

Recommendation:

- A. Adequately segregate accounting duties to the extent possible or ensure periodic supervisory reviews are performed and documented.
- B. Issue prenumbered receipt slips for all monies received.

Status:

- A. Not implemented. See MAR finding number 3.
- B. Partially implemented. The Sheriff's Jail Department issues prenumbered receipt slips for the commissary account, but does not issue them for the inmate account. See MAR finding number 5.

5. Prosecuting Attorney's Accounting Controls and Procedures

Monies were not deposited on a timely basis.

Recommendation:

The Prosecuting Attorney deposit all receipts daily or when accumulated receipts exceed \$100.

Status:

Not implemented. See MAR finding number 9.D.

6. Schedule of Expenditures of Federal Awards

The County and Health Center failed to properly document federal awards as required.

Recommendation:

The County Clerk and Health Center Administrator prepare a complete and accurate schedule of expenditures of federal awards.

Status:

Not implemented. See finding number 03-2.

7. Personnel

A. The County paid more than the basic cost of health insurance for two employees during the year ended December 31, 1999.

B. The County did not require some employees to submit a monthly time sheet.

Recommendation:

A. Ensure decisions regarding employees compensation and benefits is documented, and in compliance with personnel policy.

B. Ensure time sheets are prepared by all employees.

Status:

A. Implemented.

B. Not implemented. The Jail Administrator is not required to prepare a timesheet. Although not repeated in our current report, our recommendation remains as stated above.

STATISTICAL SECTION

History, Organization, and
Statistical Information

MISSISSIPPI COUNTY, MISSOURI
HISTORY, ORGANIZATION,
AND STATISTICAL INFORMATION

Organized in 1845, the county of Mississippi was named after the Mississippi River. Mississippi County is a county-organized, third-class county and is part of the Thirty-Third Judicial Circuit. The county seat is Charleston.

Mississippi County's government is composed of a three-member county commission and separate elected officials performing various tasks. The county commission has mainly administrative duties in setting tax levies, appropriating county funds, appointing board members and trustees of special services, accounting for county property, maintaining approximately 400 miles of county roads and 40 county bridges, and performing miscellaneous duties not handled by other county officials. Principal functions of these other officials relate to judicial courts, law enforcement, property assessment, property tax collections, conduct of elections, and maintenance of financial and other records important to the county's citizens.

The county's population was 14,400 in 1980 and 13,437 in 2000. The following chart shows the county's change in assessed valuation since 1980:

		Year Ended December 31,					
		2003	2002	2001	2000	1985*	1980**
		(in millions)					
Real estate	\$	73.6	72.4	72.1	69.8	61.2	38.9
Personal property		28.5	30.5	29.5	29.5	10.7	8.3
Railroad and utilities		11.5	12.3	12.9	12.4	13.8	9.4
Total	\$	113.6	115.2	114.5	111.7	85.7	56.6

* First year of statewide reassessment.

** Prior to 1985, separate assessments were made for merchants' and manufacturers' property. These amounts are included in real estate.

Mississippi County's property tax rates per \$100 of assessed valuations were as follows:

		Year Ended December 31,			
		2003	2002	2001	2000
General Revenue Fund	\$.2700	.2700	.2700	.2650
Special Road and Bridge Fund		.3200	.3200	.3200	.3200
Johnson Grass Fund		.0500	.0500	.0300	.0200
Health Center Fund		.1000	.1000	.1000	.1000
Senate Bill 40 Board Fund		.1232	.1210	.1000	.1000

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on September 1 and payable by December 31. Taxes paid after December 31 are subject to penalties. The county bills and collects property taxes for itself and most other local governments. Taxes collected were distributed as follows:

		Year Ended February 28 (29),			
		2004	2003	2002	2001
State of Missouri	\$	34,257	34,763	35,174	33,612
General Revenue Fund		335,042	333,722	331,129	308,911
Special Road and Bridge Fund		361,348	367,441	371,878	355,857
Assessment Fund		63,542	53,938	52,737	51,243
Health Center Fund		112,701	114,544	115,112	107,126
Senate Bill 40 Board Fund		137,769	136,126	115,542	110,402
School districts		3,274,032	3,327,495	3,368,534	3,222,756
Library district		230,758	230,651	231,694	221,676
Ambulance district		282,548	287,276	290,811	278,584
Fire protection district		70,153	70,243	70,949	64,249
Johnson Grass Fund		56,139	55,385	34,664	23,186
County drainage ditches		76,000	76,462	80,418	75,992
Special drainage ditches		231,767	231,915	232,936	223,309
Cities		349,919	340,070	268,406	251,258
County Clerk		158	209	241	219
County Employees' Retirement		35,845	33,412	34,911	27,832
Commissions and fees:					
General Revenue Fund		75,390	75,732	75,198	72,860
Collector		6,743	6,587	5,845	5,716
Total	\$	5,734,111	5,775,971	5,716,179	5,434,788

Percentages of current taxes collected were as follows:

		Year Ended February 28 (29),			
		2003	2002	2001	2000
Real estate		92	92	92	92 %
Personal property		87	86	88	86
Railroad and utilities		100	99	99	100

Mississippi County also has the following sales taxes; rates are per \$1 of retail sales:

	Rate	Expiration Date	Required Property Tax Reduction	
General	\$.5000	None	50	%
General	.5000	None	None	
Senior Citizens' Services	.2500	None	None	
Law Enforcement Services	.5000	None	None	

The elected officials and their compensation paid for the year ended December 31 (except as noted) are indicated below.

Officeholder	2004	2003	2002	2001	2000
County-Paid Officials:	\$				
Jim Blumenberg, Presiding Commissioner		27,025	27,025	26,296	25,362
Homer D. Oliver, Associate Commissioner		25,025	25,025	24,296	23,362
Martin Lucas, Associate Commissioner		25,025	25,025	24,296	23,362
Judy Rowling, Recorder of Deeds (1)		34,200	N/A	N/A	N/A
Hubert Delay, Jr., County Clerk (2)		48,107	45,707	41,735	40,055
Jennifer Raffety, Prosecuting Attorney (3)		53,902	44,902	43,632	35,072
Larry Turley, Sheriff		41,909	41,909	40,688	39,123
Sandra DeField, County Treasurer (4)		28,559	28,679	28,182	26,856
Terry Parker, County Coroner		10,976	10,342	N/A	N/A
John McMikle, County Coroner		N/A	N/A	9,656	9,600
Raymond "Buddy" Marshall, Public Administrator (5)		20,600	20,600	25,856	11,935
Faye Elliott, County Collector (6), year ended February 28 (29),	44,660	44,504	43,763	42,529	
W.R. "Bill" Thompson, County Assessor (7), year ended August 31,		38,817	38,817	39,011	38,160

- (1) The Recorder became a separate elected position in January 2003.
- (2) Includes \$997 and \$3992 in annual compensation in 2003 and 2002, and \$931 and \$3726 in 2000, for serving as secretary for the Johnson Grass Board and the Road and Bridge Department, respectively. In addition, it includes \$5,200 and \$2,800 for serving as Groundskeeper for 2003 and 2002, respectively.
- (3) Includes a statutory pay increase of \$9,000 in 2003.
- (4) Includes commissions of \$501, \$620, \$941 and \$663 respectively for handling the accounts for the Drainage Districts.
- (5) Includes fees received from probate cases in 2001 and 2000.
- (6) Includes \$6,743, \$6,587, \$5,845 and \$5,716, respectively, of commissions earned for collecting drainage and city property taxes.
- (7) Includes \$900 annual compensation received from the state.

State-Paid Officials:

Karen S. Turley, Circuit Clerk and Ex Officio Recorder of Deeds (1)	47,300	47,300	47,300	46,126
T. Lynn Brown, Associate Circuit Judge	96,000	96,000	96,000	97,382

The county entered into a lease agreement with a not-for-profit corporation (NFP) in October 2001. The terms of the agreement called for the NFP to issue bonds of \$2,830,000 for the purpose of constructing a new jail and for the NFP to lease the jail back to the county for payments totaling the principal and interest due on the outstanding bonds. The remaining principal and interest due on the bonds at December 31, 2003 was \$2,400,000 and \$429,455 respectively. The lease will be paid with proceeds from the one-half cent law enforcement sales tax.

At December 31, 2003, the county had bonds payable of \$380,000 consisting of Leasehold Revenue Bonds dated July 1, 1997, to finance the cost of constructing, furnishing and equipping a juvenile detention facility. This project is a portion of the new jail project.

At December 31, 2003, the county had bonds payable of \$145,000 consisting of special limited obligation bonds dated May 1, 1999, to finance the costs to repair and restore a main drainage ditch, three lateral ditches and one sub-lateral ditch located in county Drainage District No. 23. Bond principal is due annually on March 1 at a rate not to exceed six percent. A special tax was assessed to fund these bond payments.